

WEALTH INEQUALITY

UPDATED THROUGH MARCH 2024 | NATIONAL

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Takeaways | Wealth Inequality

- Wealth is distributed disproportionately across demographic groups. People with the most wealth tend to have high incomes, be college graduates, be over 55 years old, and/or be white. We define wealth as a group's assets minus its liabilities.
- Growth in per household wealth since the pandemic has been especially pronounced for people under 40 years old, people in the bottom half of the wealth distribution, and the 20th to 60th percentiles of income earners. Per household wealth growth since the pandemic has been similar across racial and ethnic groups and across education groups.
- The sources of wealth growth across those groups with relatively rapid growth are not consistent. Under-40-year-olds were propelled by considerable growth in financial assets; the 20th-60th percentile income group by steady growth in both financial and real estate assets; and the bottom 50% wealth group by strong growth in financial assets paired with limited growth in total liabilities. Groups like the top income and wealth groups that saw rapid financial asset growth and lesser total wealth growth were generally held back by low real estate growth.
- Demographic wealth inequalities remain similar in 2024 as they were in 2019, despite comparatively rapid wealth growth among some of the least wealthy demographic groups.

Full Report Highlights

- **INFLATION**

Inflation rose in the Northeast relative to the rest of the country, moving the Northeast from being the region with the least inflation (0.72 percentage point below the national average in February 2024) to the region with the most (0.64 percentage point above the national average in May 2024).

- **EARNINGS**

Racial, ethnic, and gender gaps in earnings declined in 2024:Q2, but this was in part because the nominal and real earnings of white workers and men declined in 2024:Q2. However, the Black-white and the gender earnings gaps continued on their gradually declining trends since the pre-pandemic period.

- **EMPLOYMENT**

Labor market trends have continued as in 2024:Q1, with the gender employment and LFP gaps declining and other gaps being close to their pre-pandemic levels.

- **WEALTH INEQUALITY**

Growth in wealth after 2019 was faster for some groups with little wealth relative to population but did not meaningfully reduce stark wealth inequalities across demographic groups.

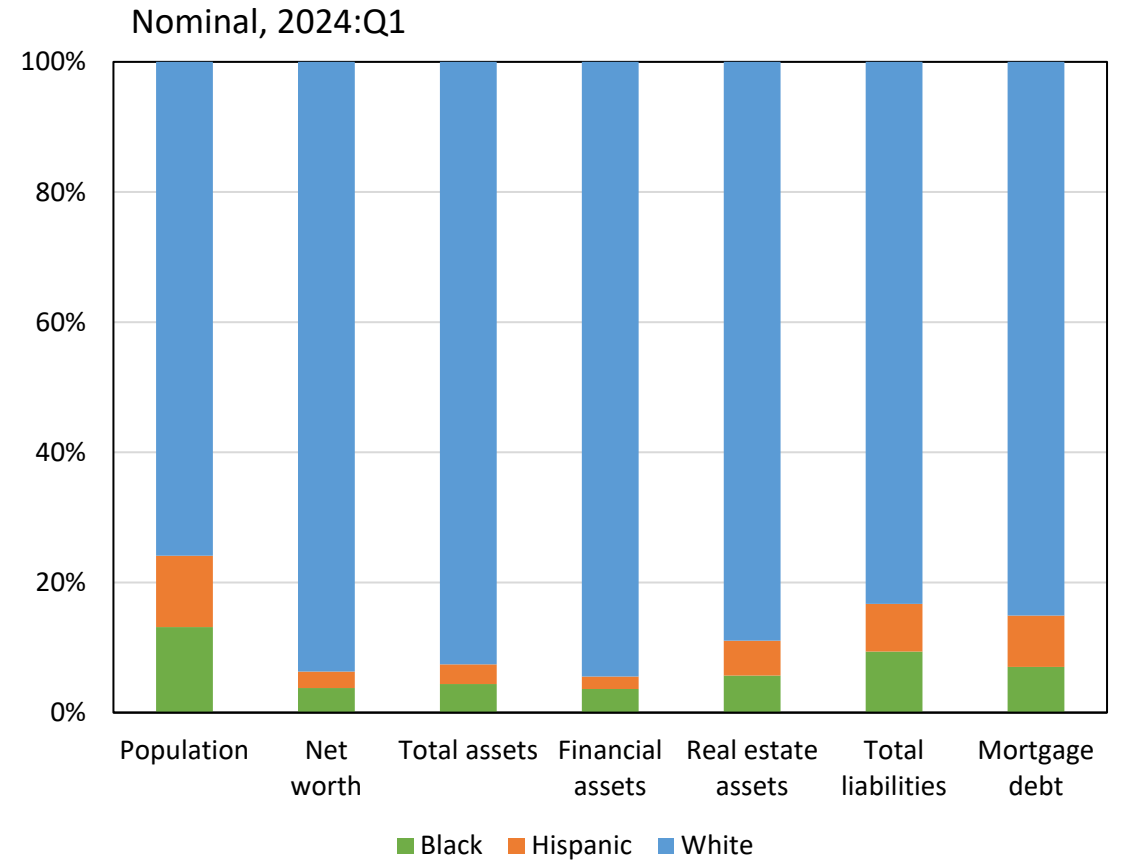
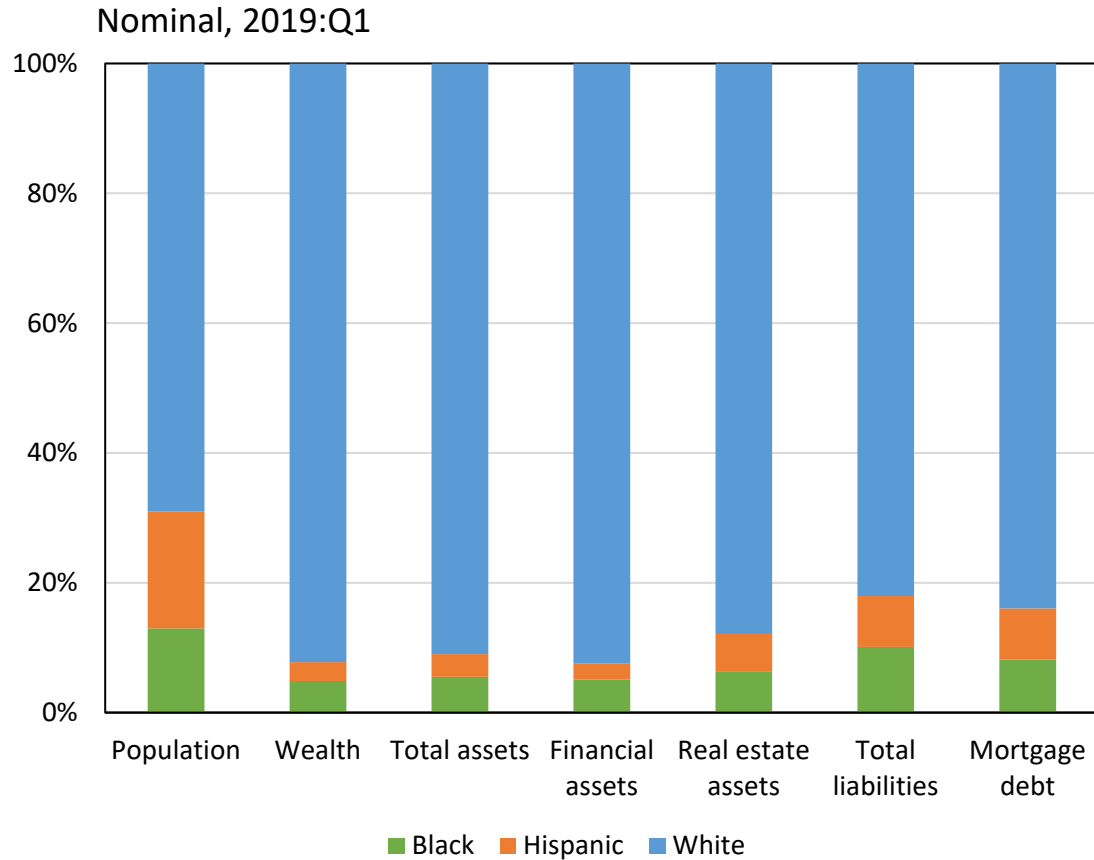
Data & Methods

- The Board of Governors of the Federal Reserve System publish the Distributional Financial Accounts (DFA) as a unique source of data on wealth holdings across demographic and economic groups.
- The DFA combine sectoral balance sheet data from the Financial Accounts with individual-level holdings from the Survey of Consumer Finances as described in Batty et al. (2019)
- We plot nominal, per household holdings by group in each wealth category in line charts and each group's share of total households and nominal wealth types in bar graphs.
- Where possible we also present real holdings by deflating each group's holdings using demographic price indexes created by the authors.

WEALTH INEQUALITY

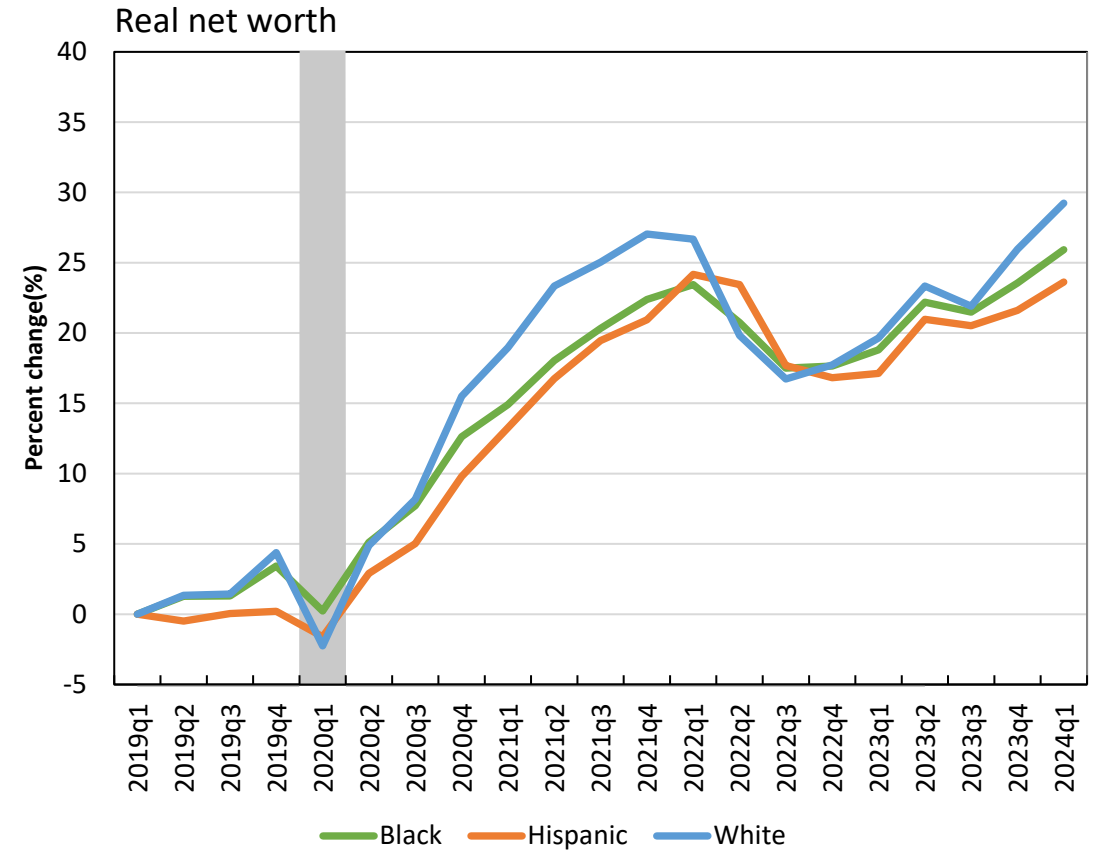
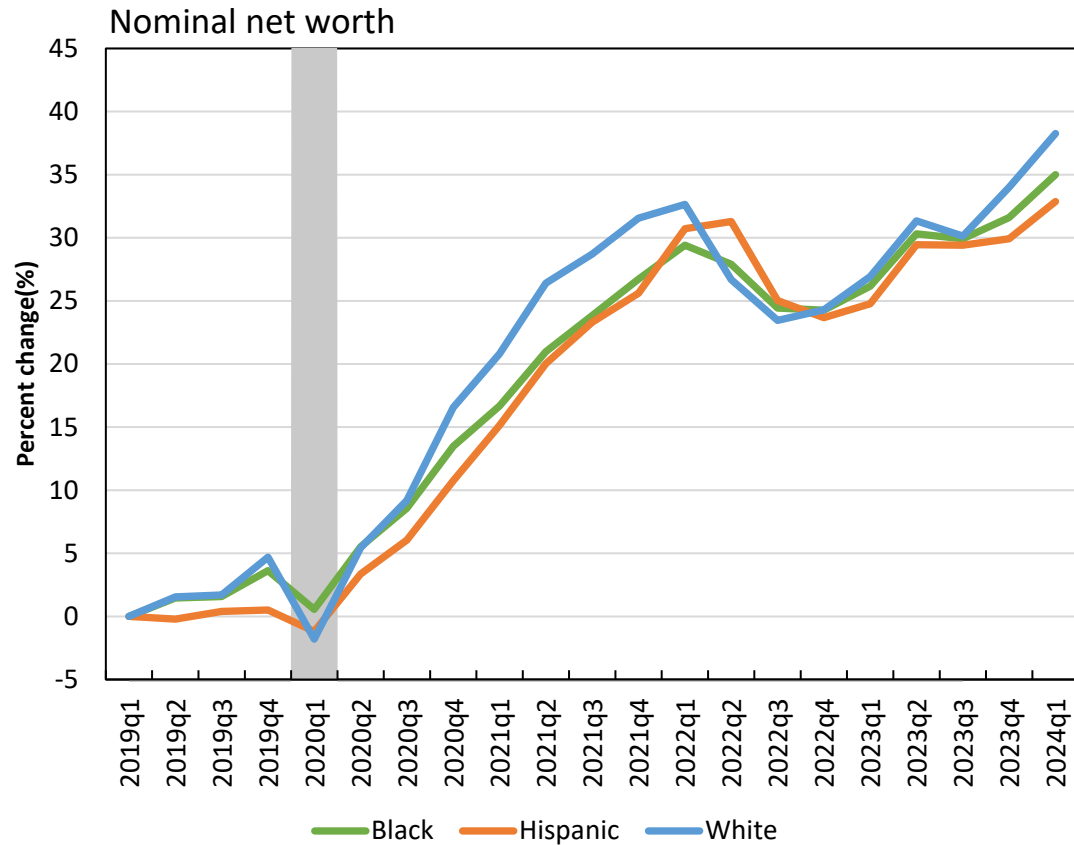
BY RACE & ETHNICITY

Population and Ownership Shares by Race & Ethnicity



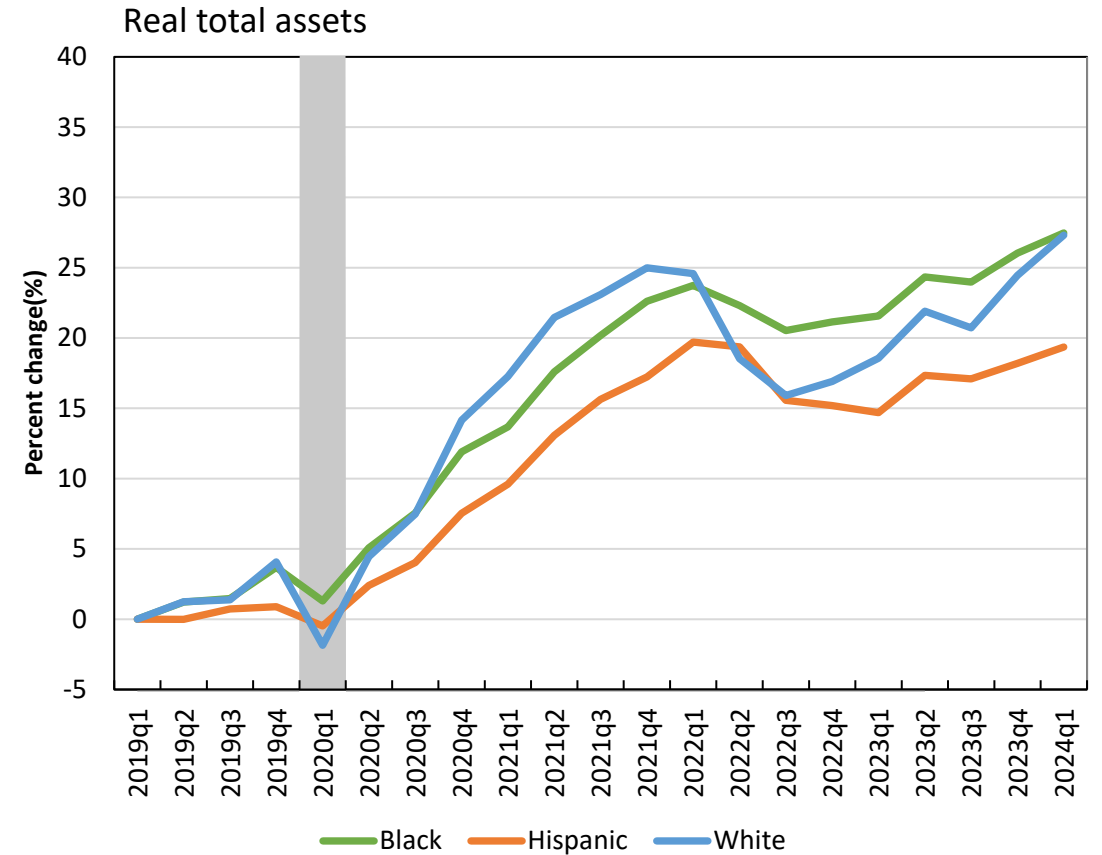
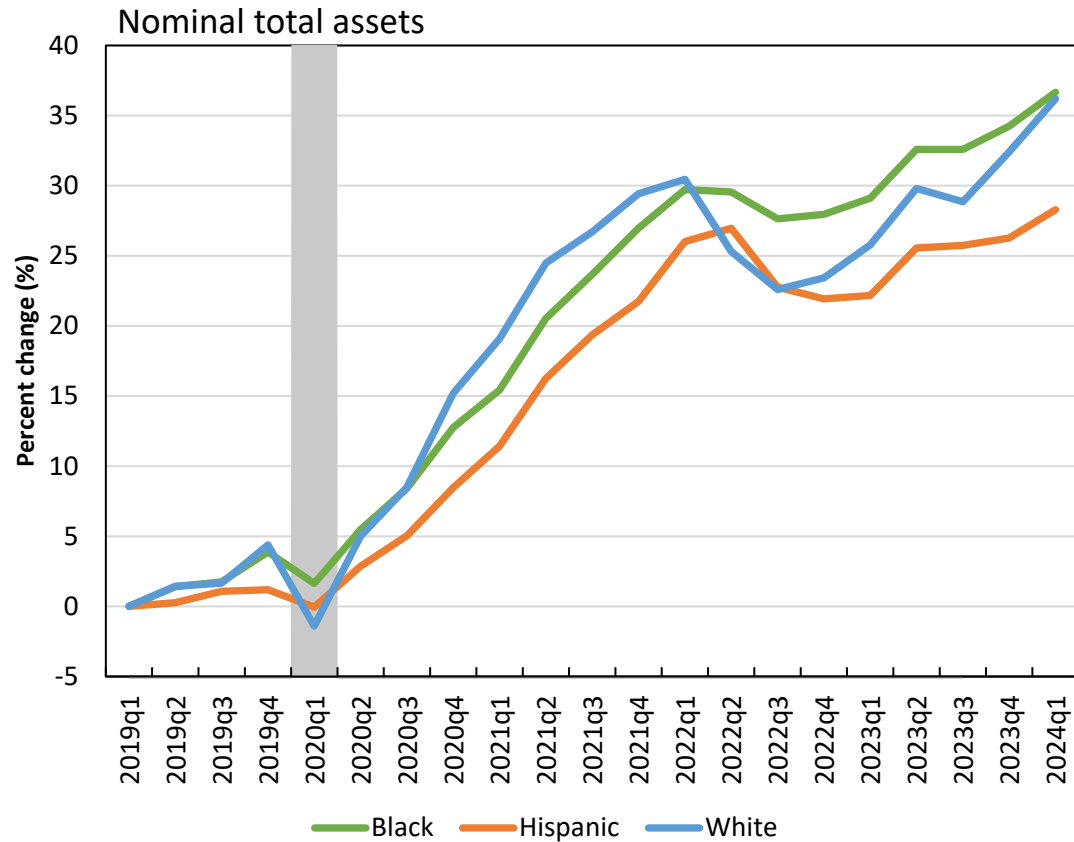
Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations. Note: "Net worth" is total assets less total liabilities. Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns.

Net Worth per Household by Racial and Ethnic Group



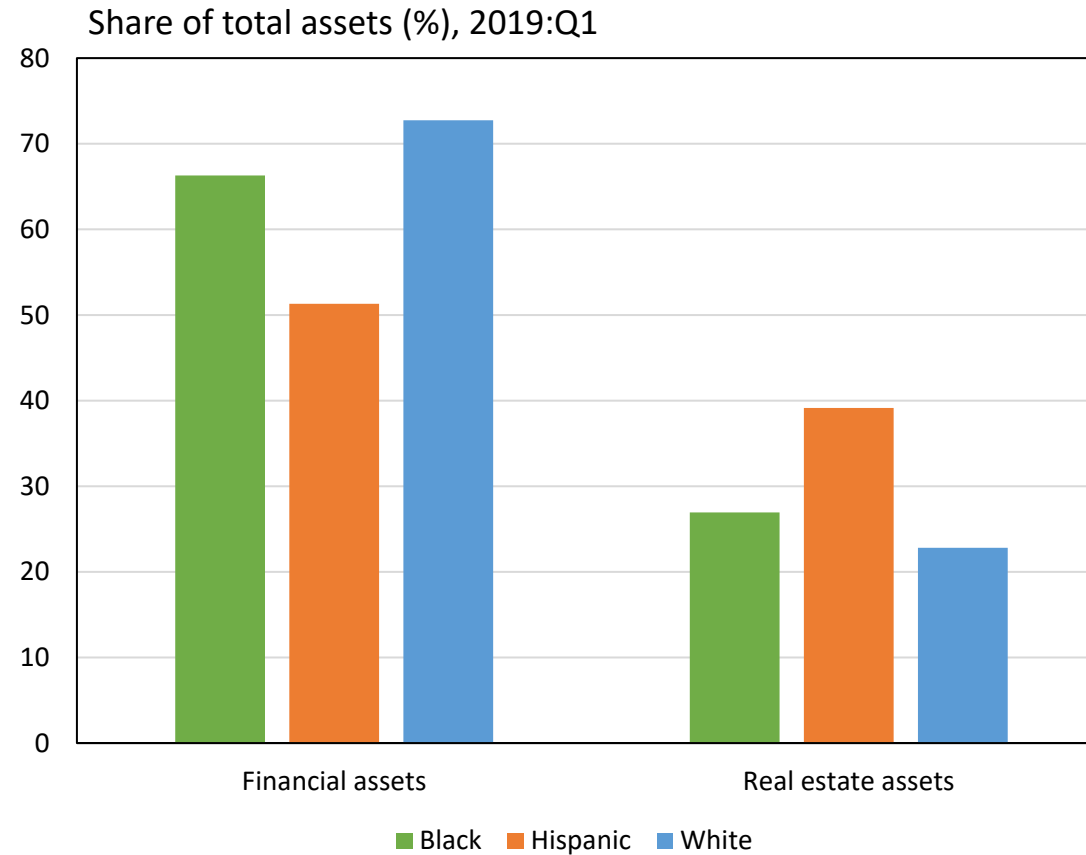
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Total Assets per Household by Racial and Ethnic Group



Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations. Note: Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns. Shaded region indicates the COVID-19 recession.

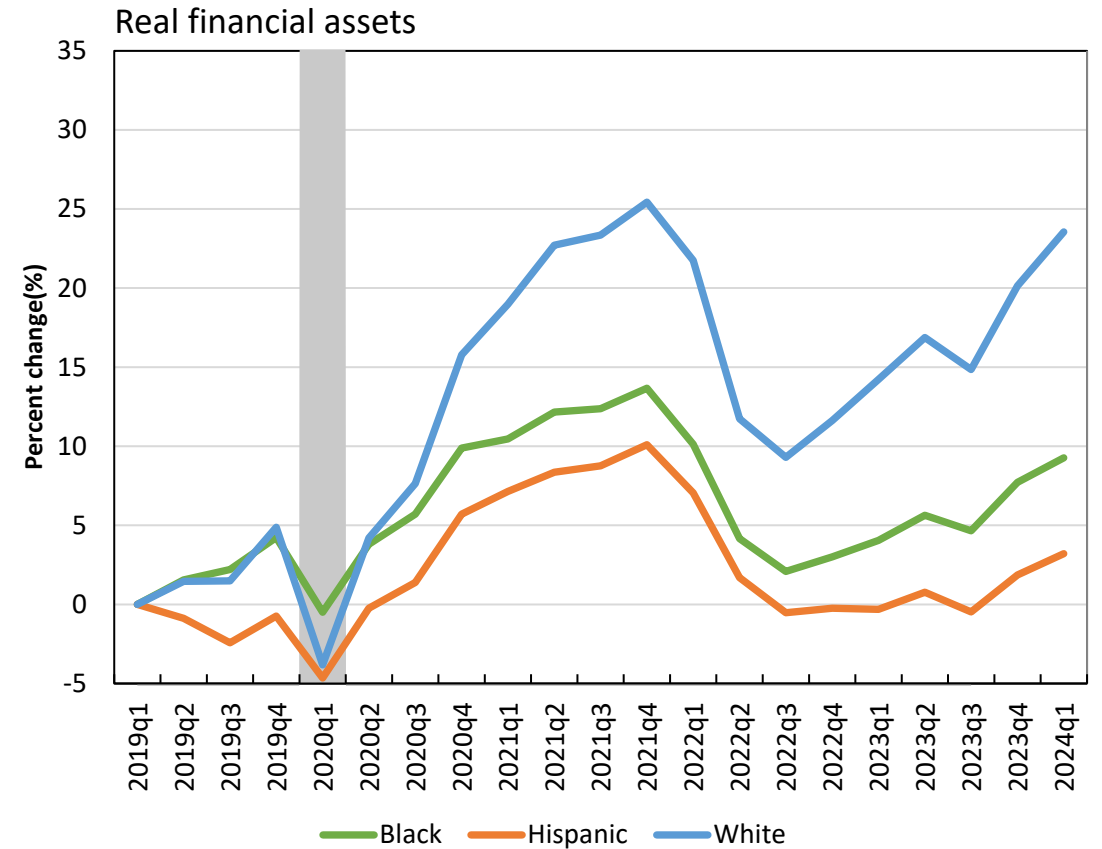
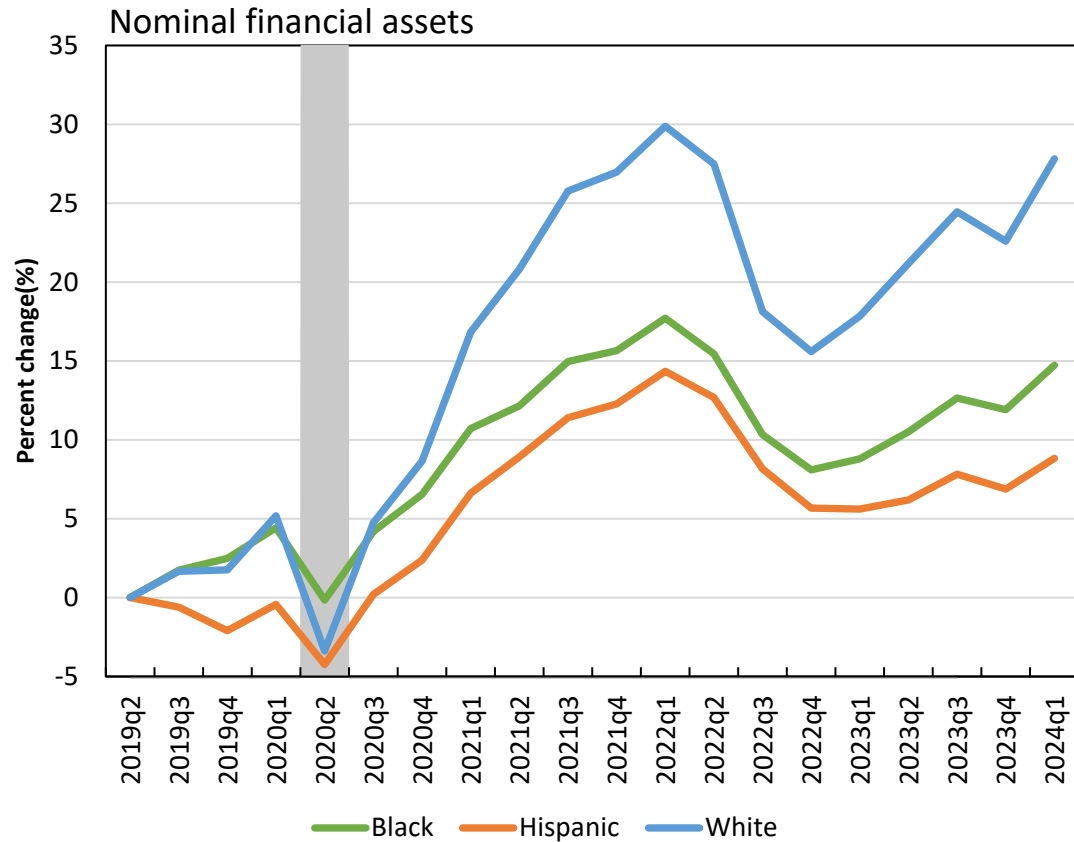
Composition of Total Assets by Racial and Ethnic Group



Source: Distributional Financial Accounts via Federal Reserve.

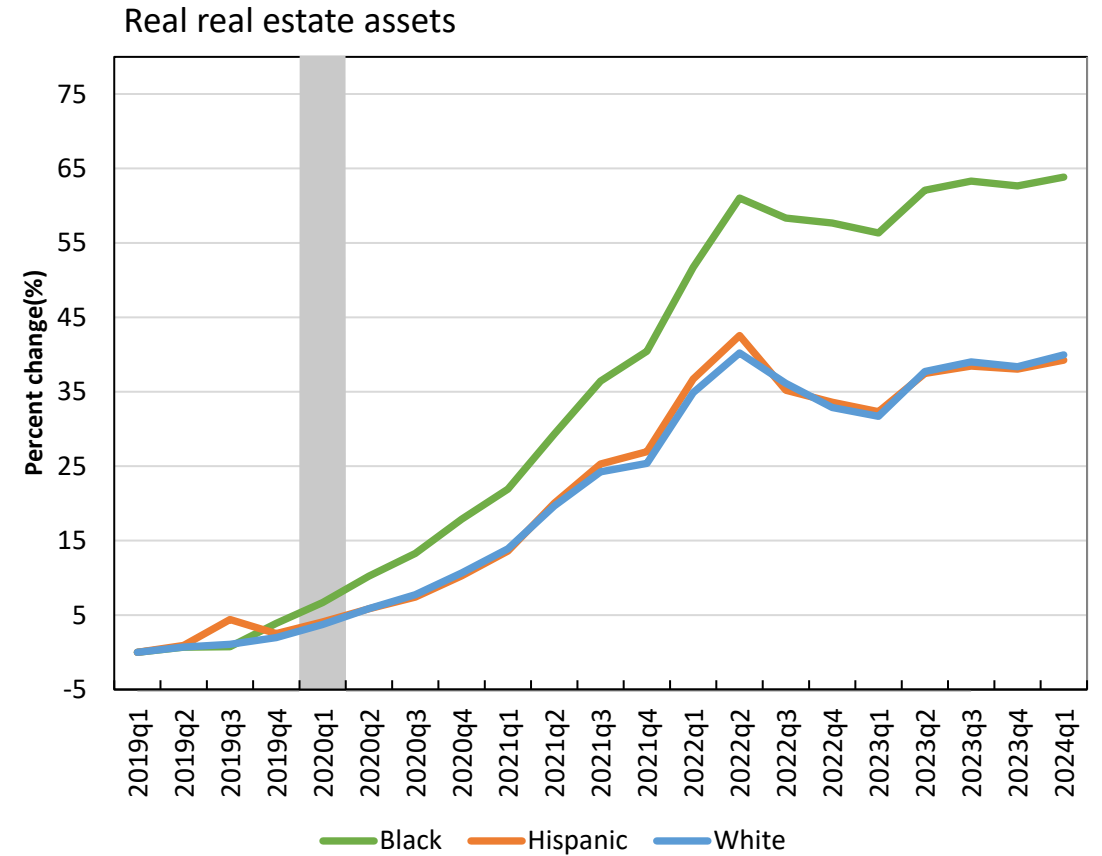
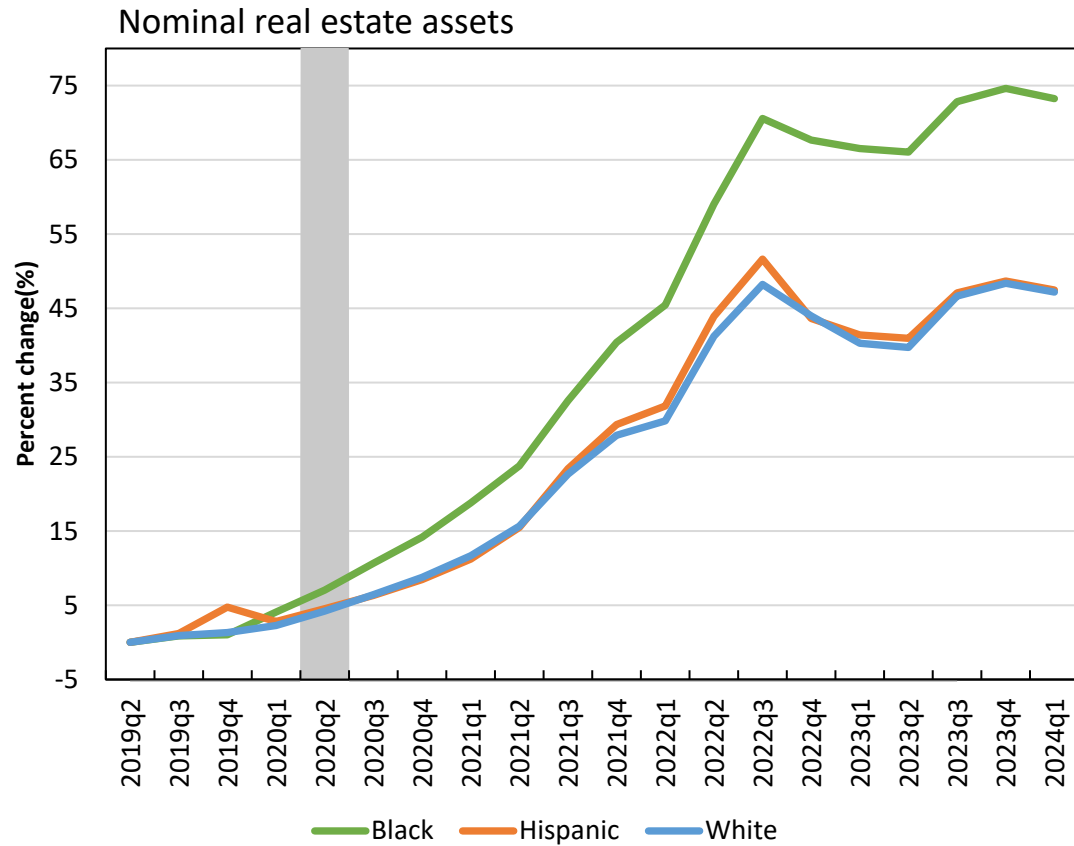
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Financial Assets per Household by Racial and Ethnic Group



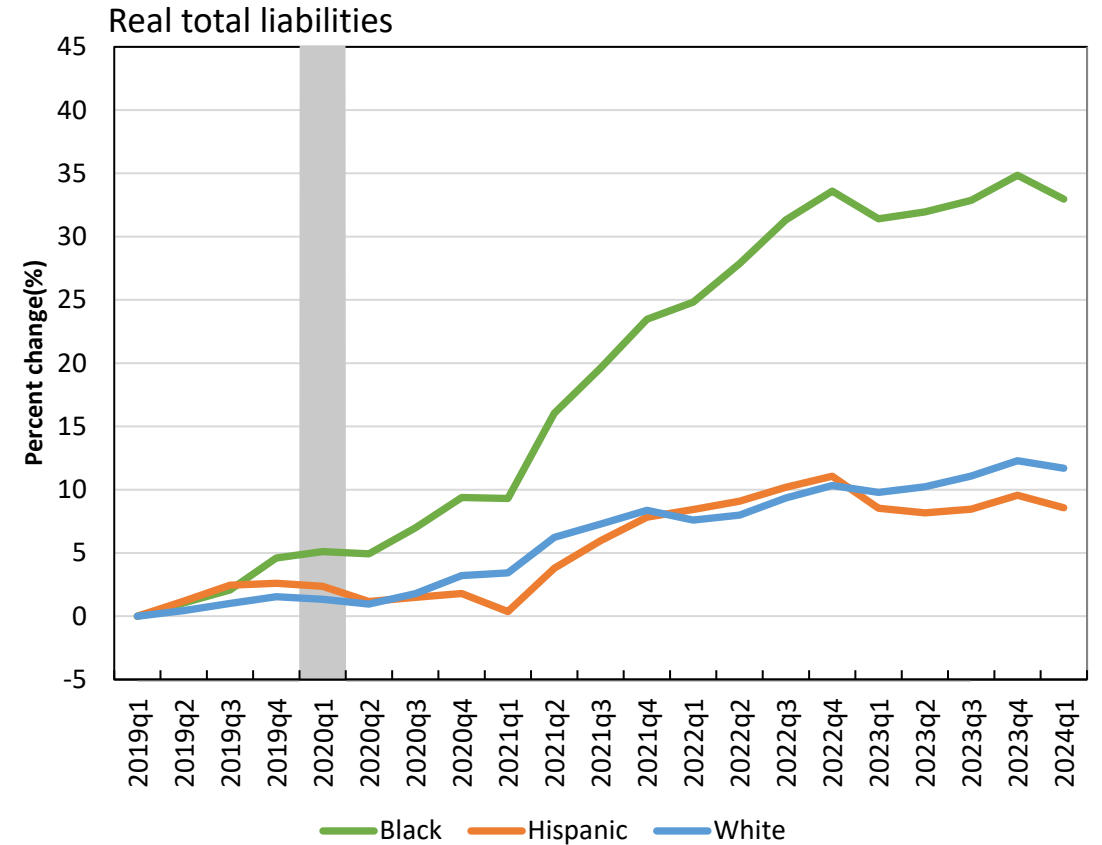
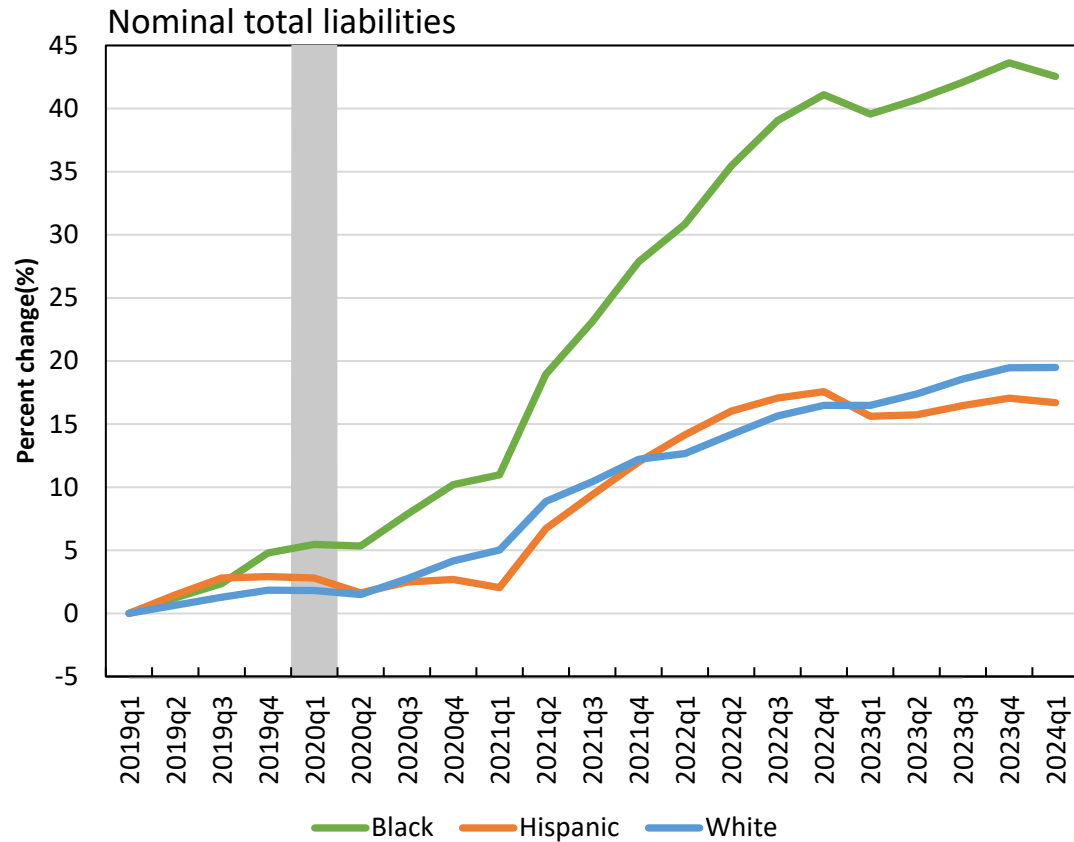
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Real Estate Assets per Household by Racial and Ethnic Group



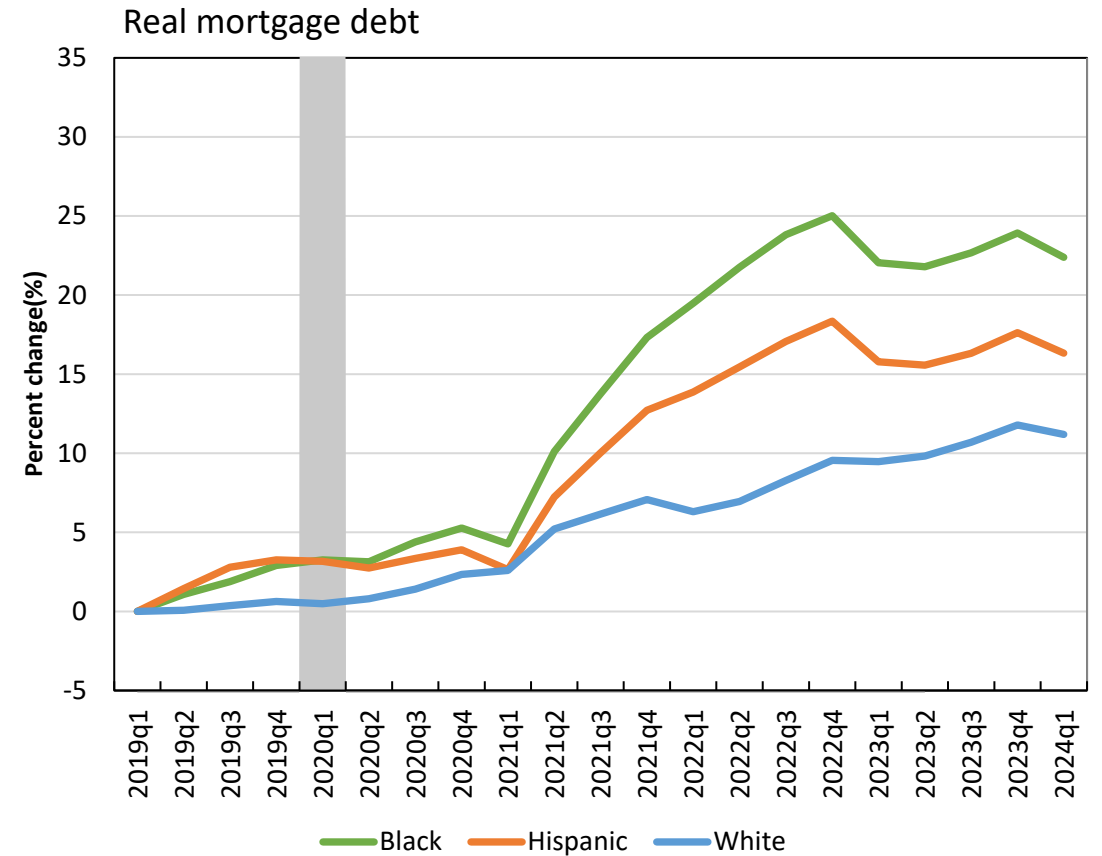
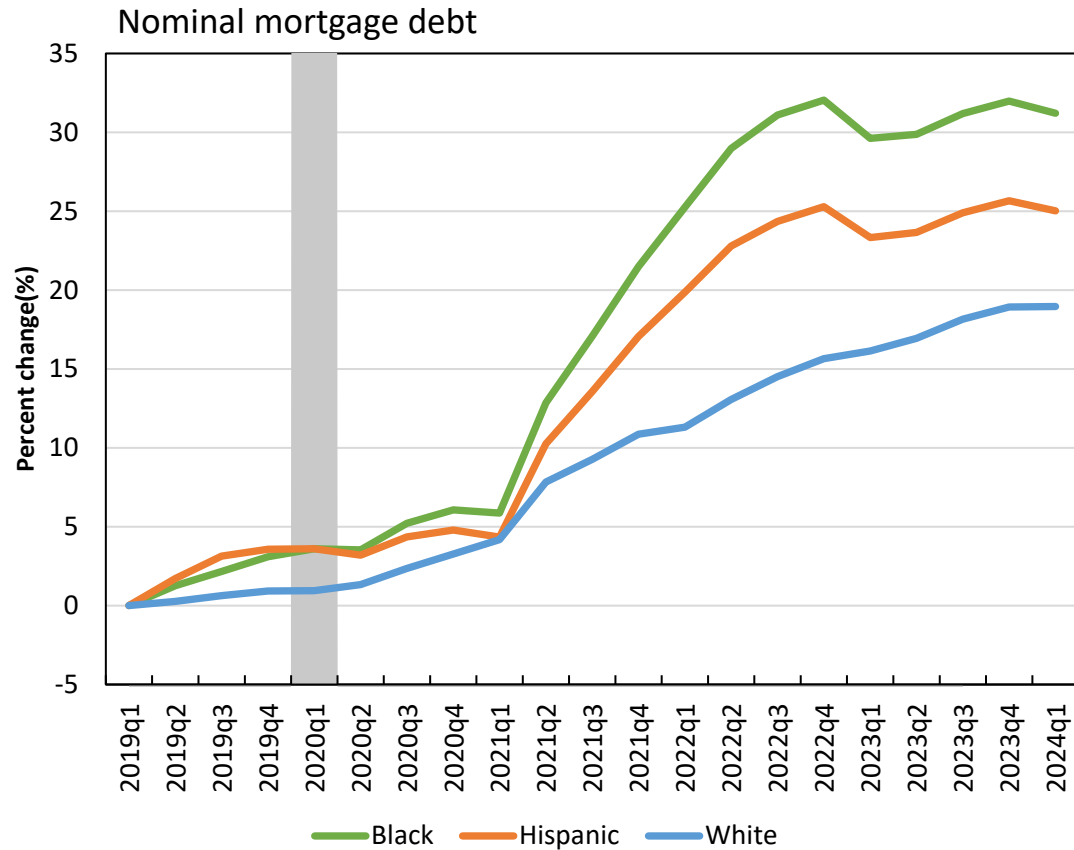
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Total Liabilities per Household by Racial and Ethnic Group



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Mortgage Debt per Household by Racial and Ethnic Group



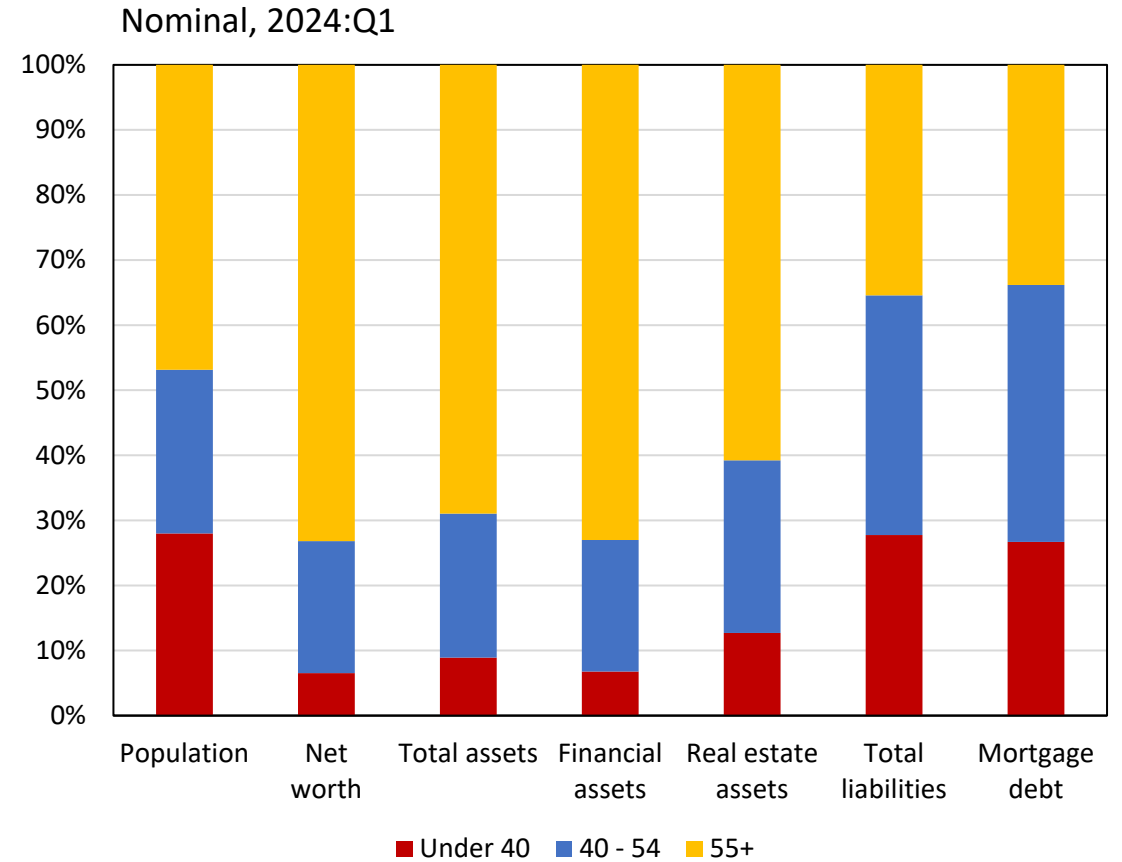
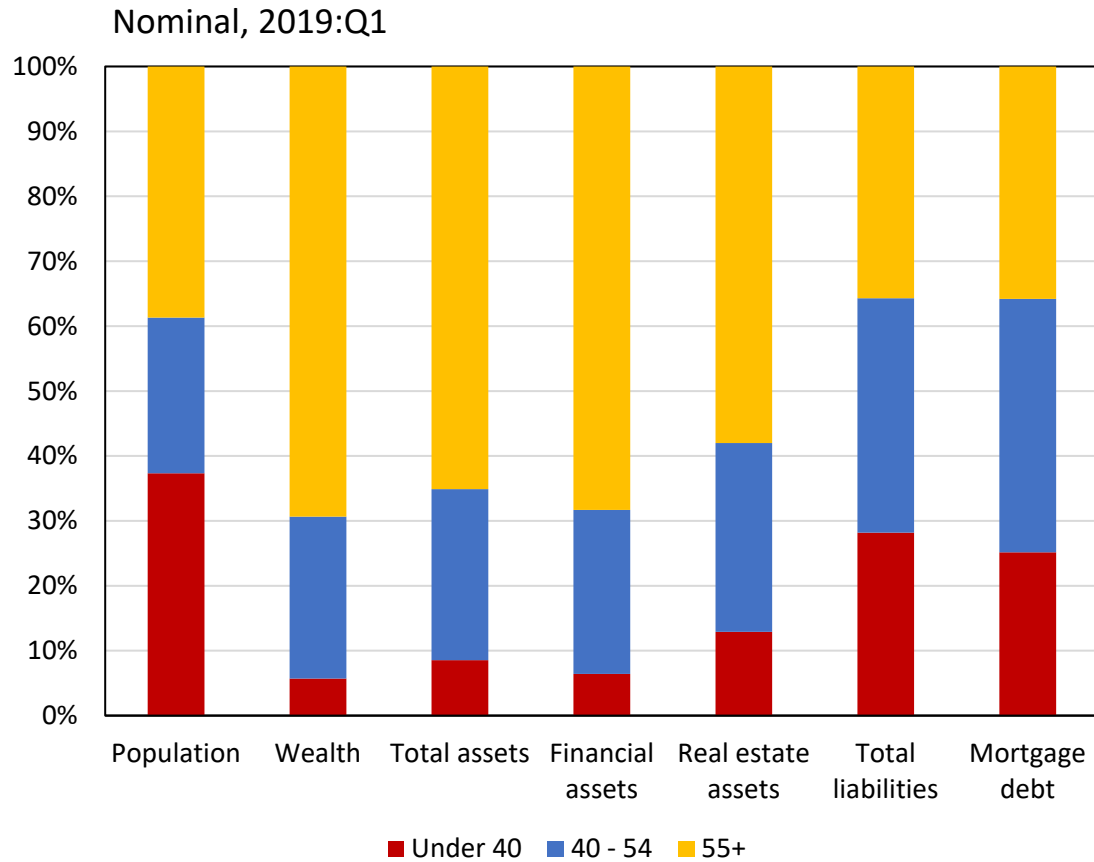
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WEALTH INEQUALITY

BY AGE

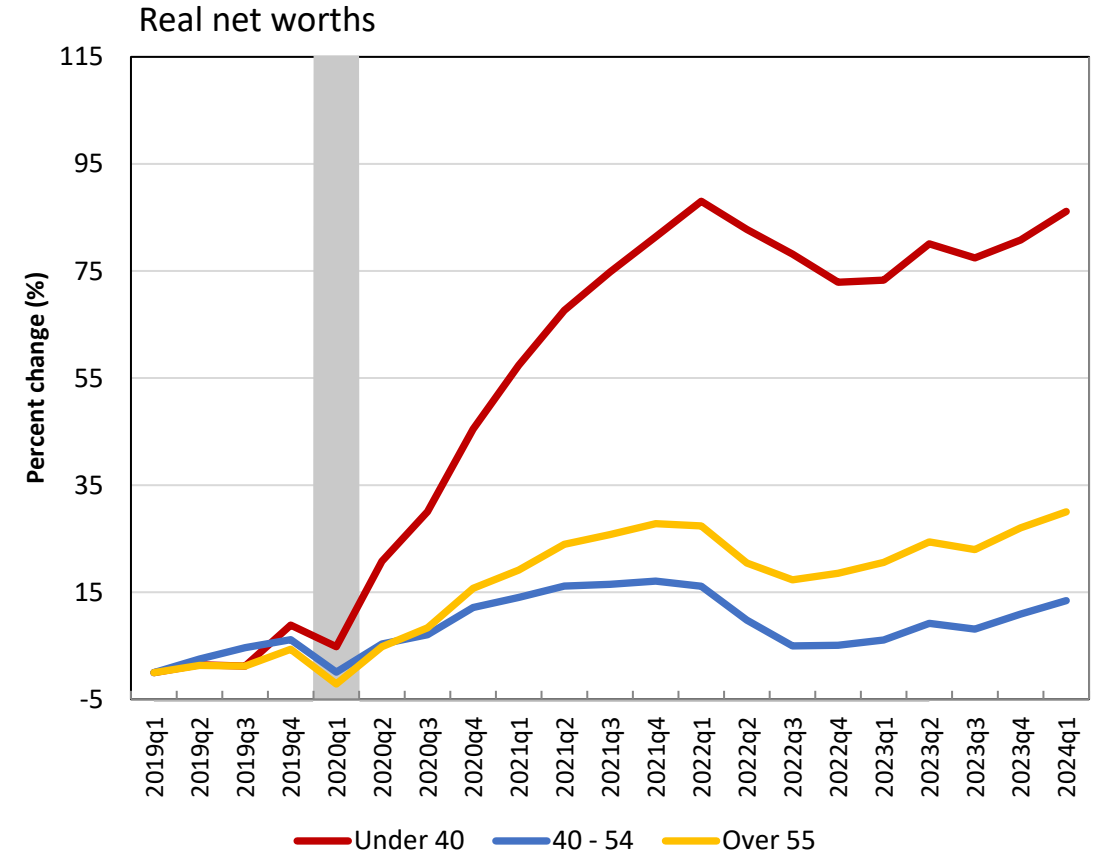
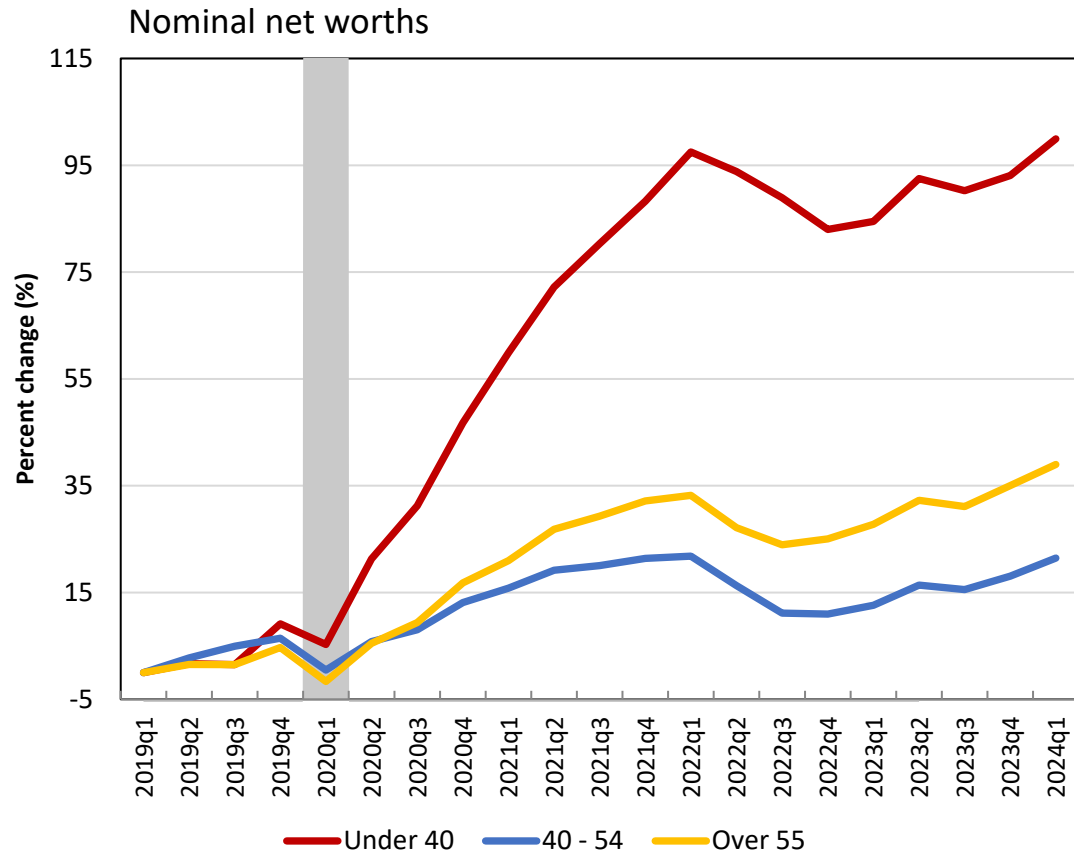


Population and Ownership Shares by Age Group



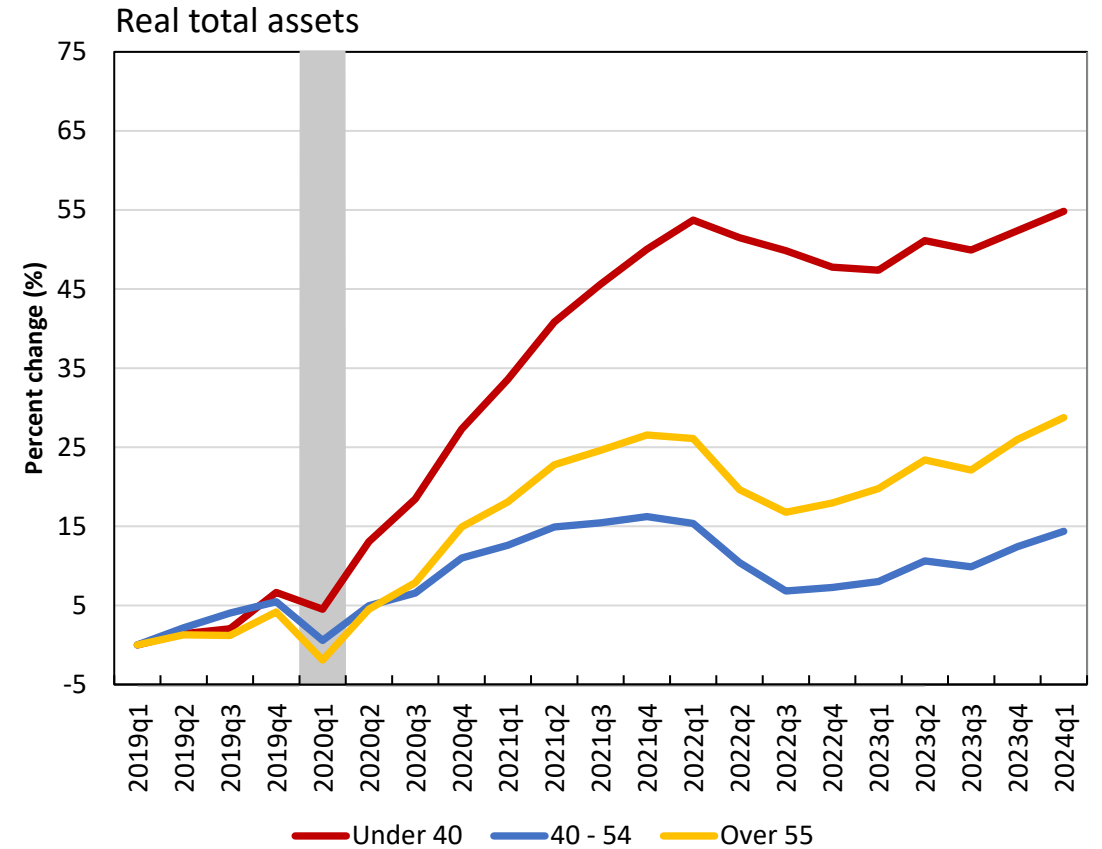
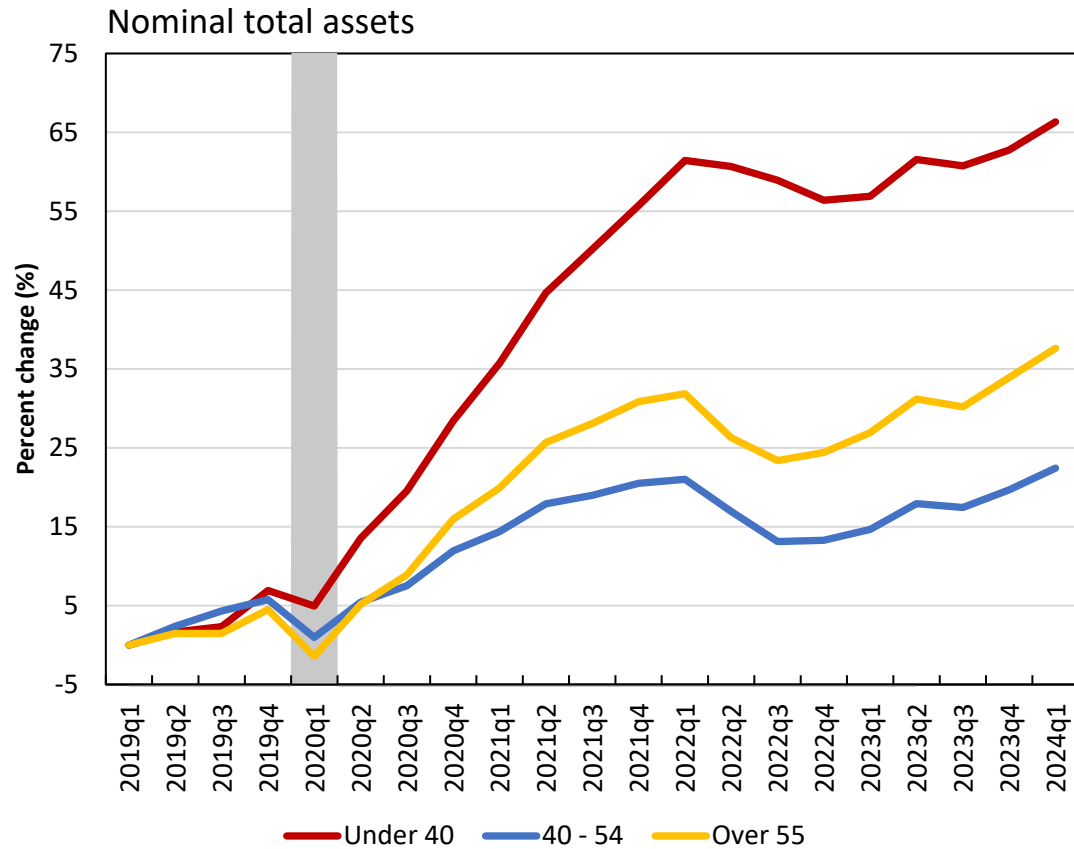
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Net Worth per Household by Age Group



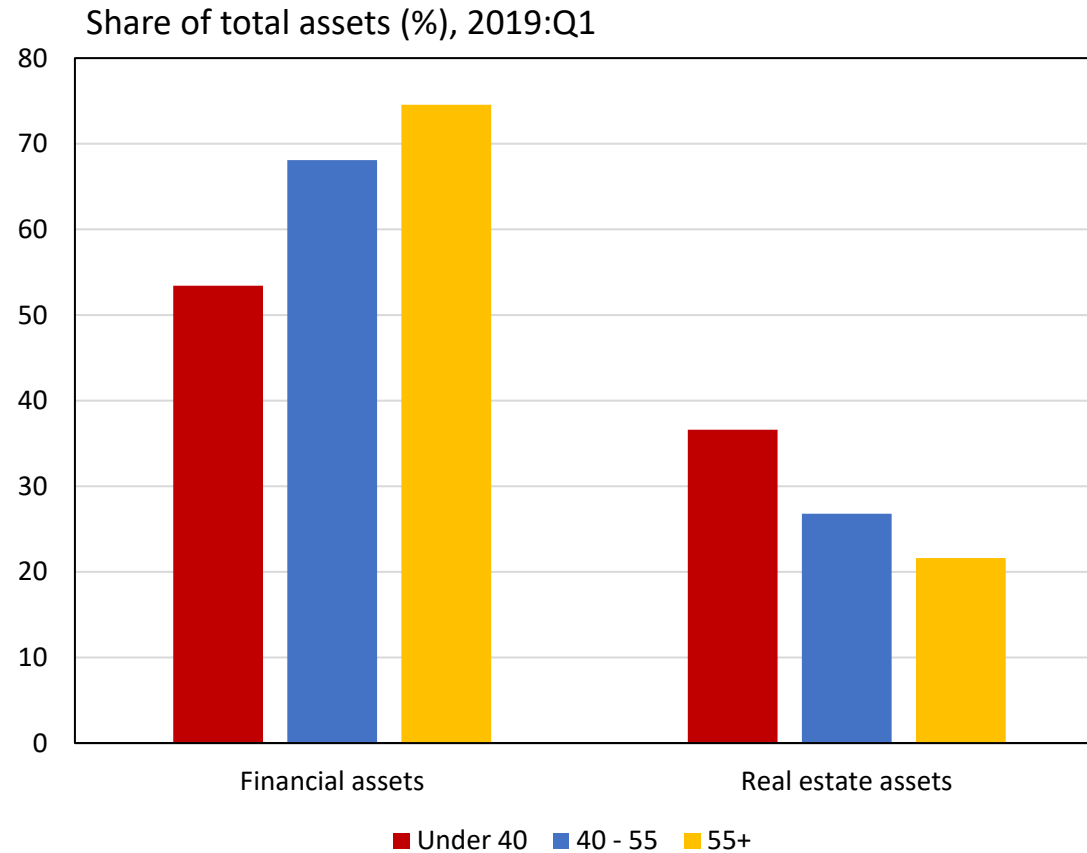
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Total Assets per Household by Age Group



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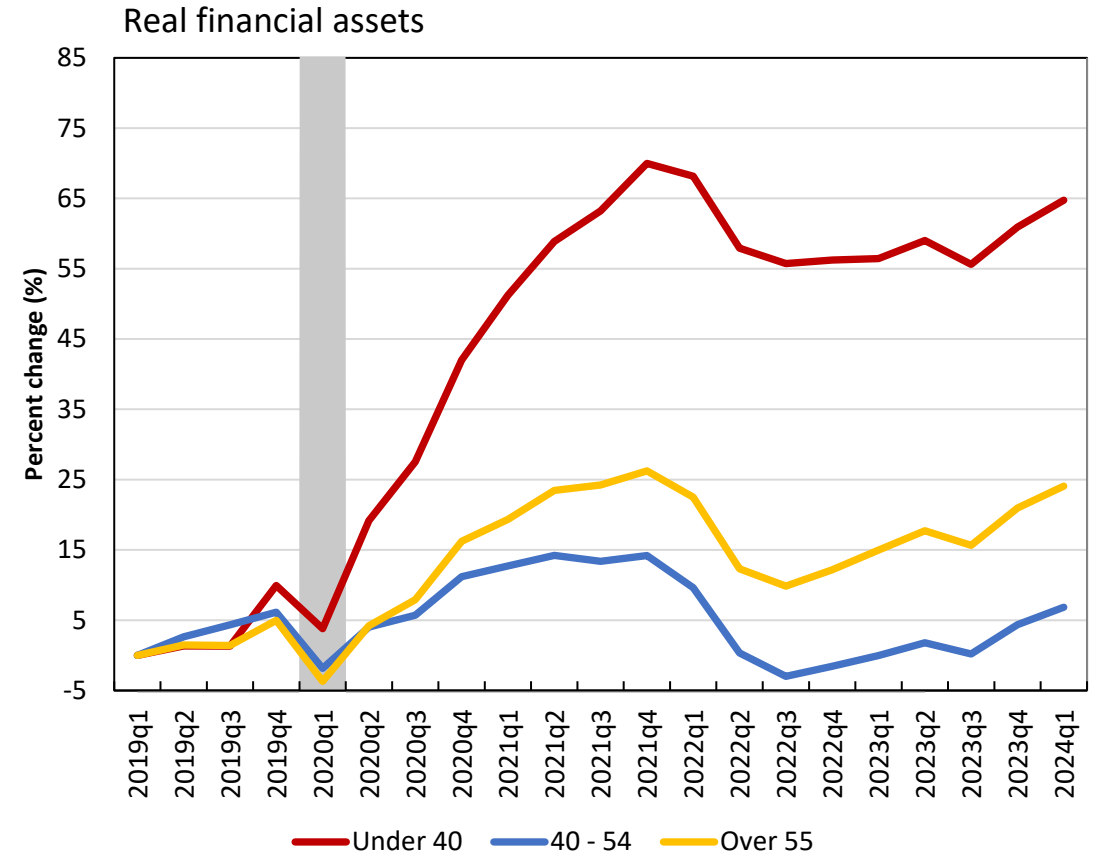
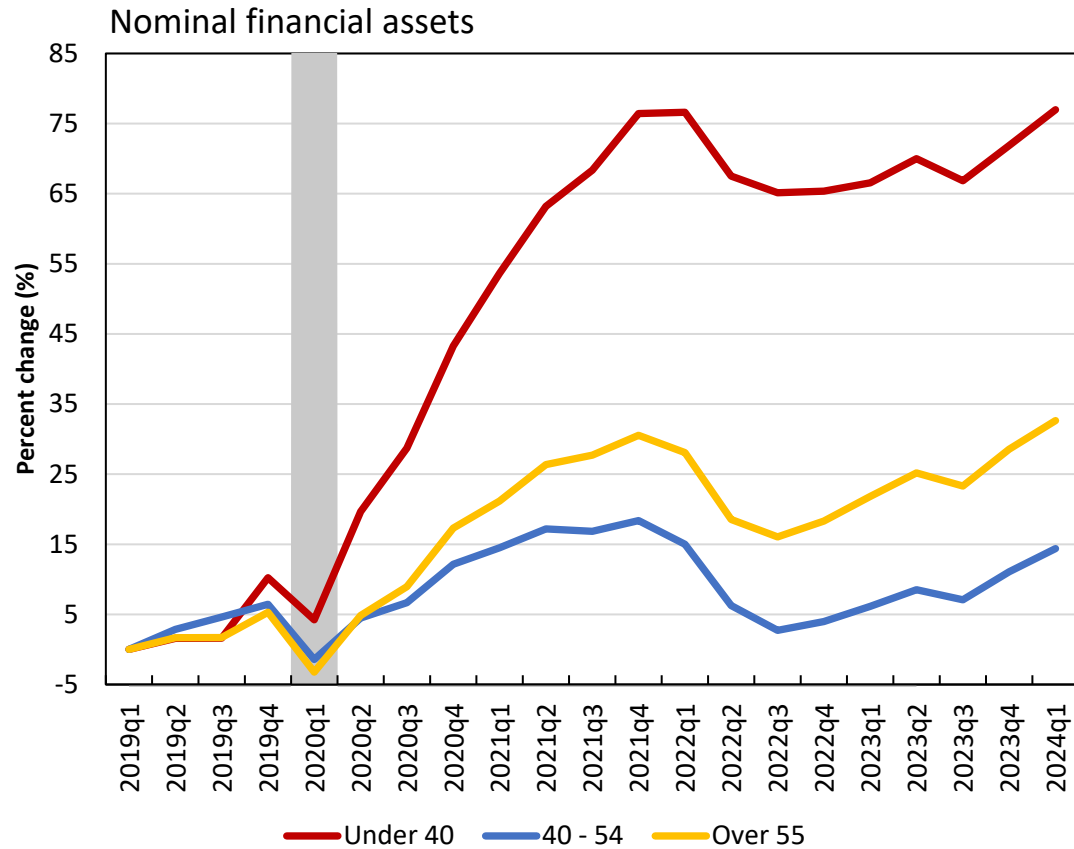
Composition of Total Assets by Age Group



Source: Distributional Financial Accounts via Federal Reserve.

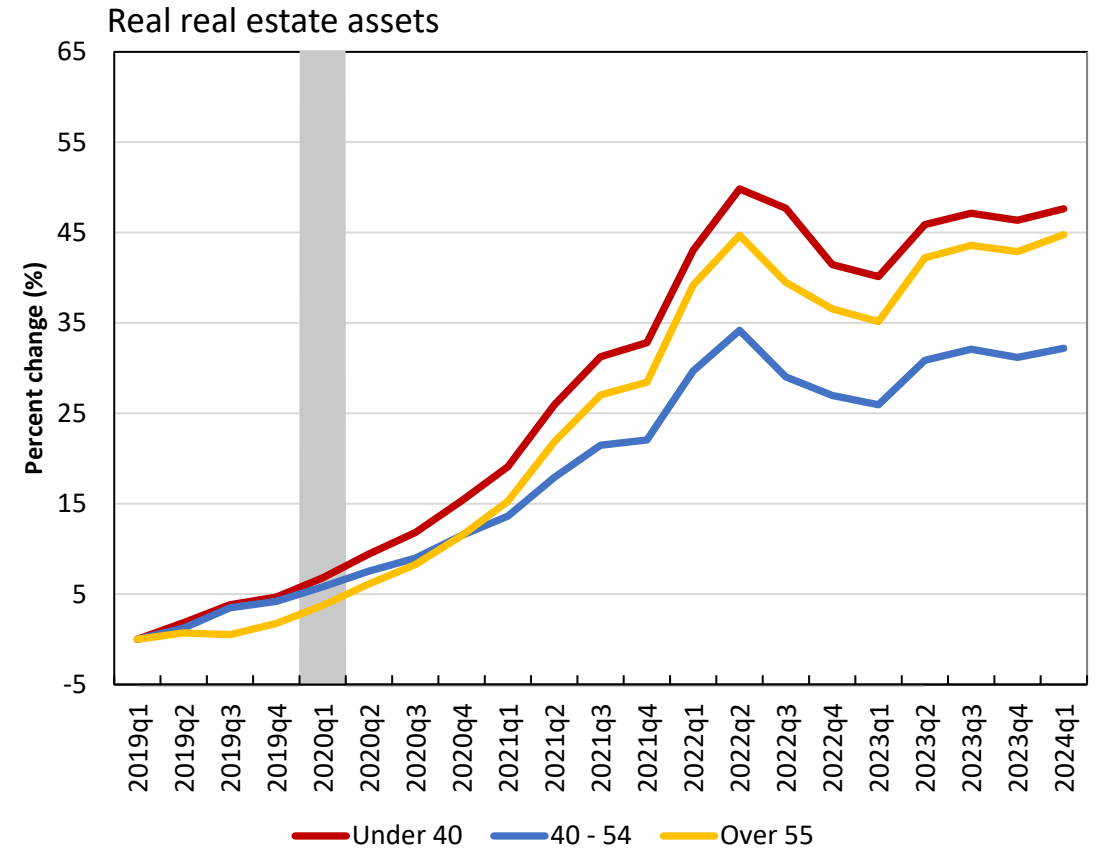
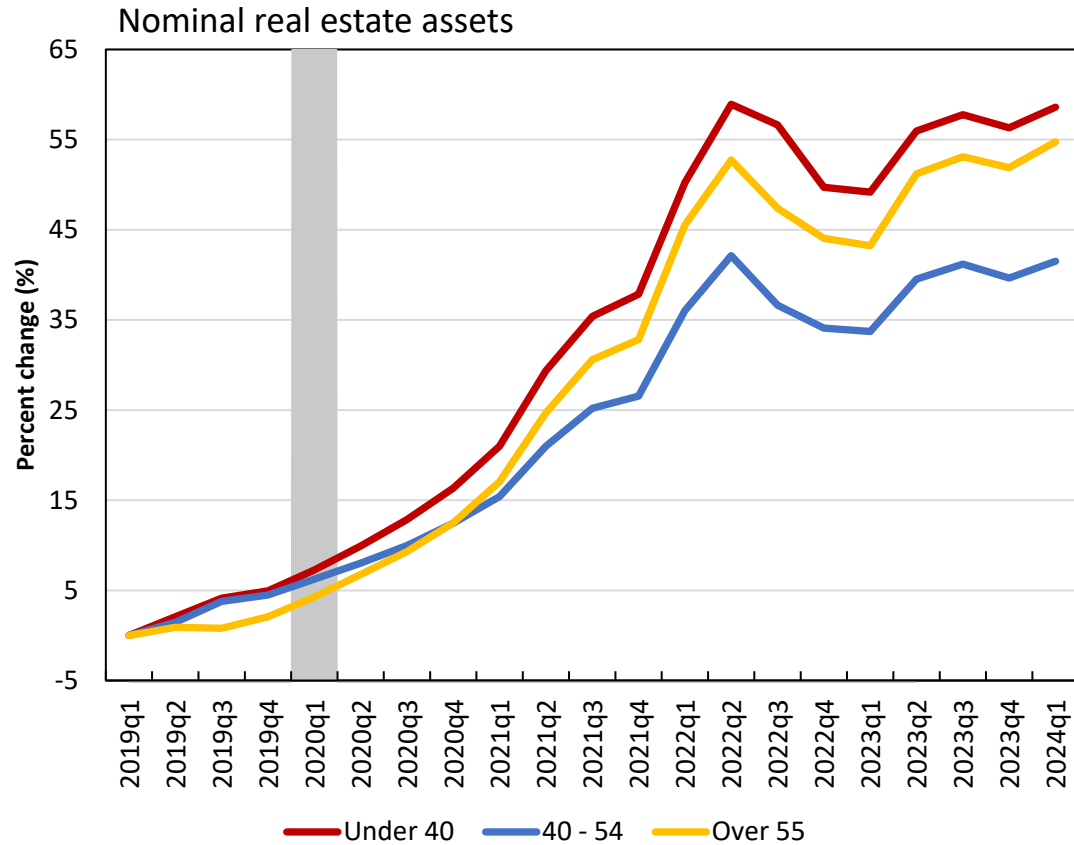
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Financial Assets per Household by Age Group



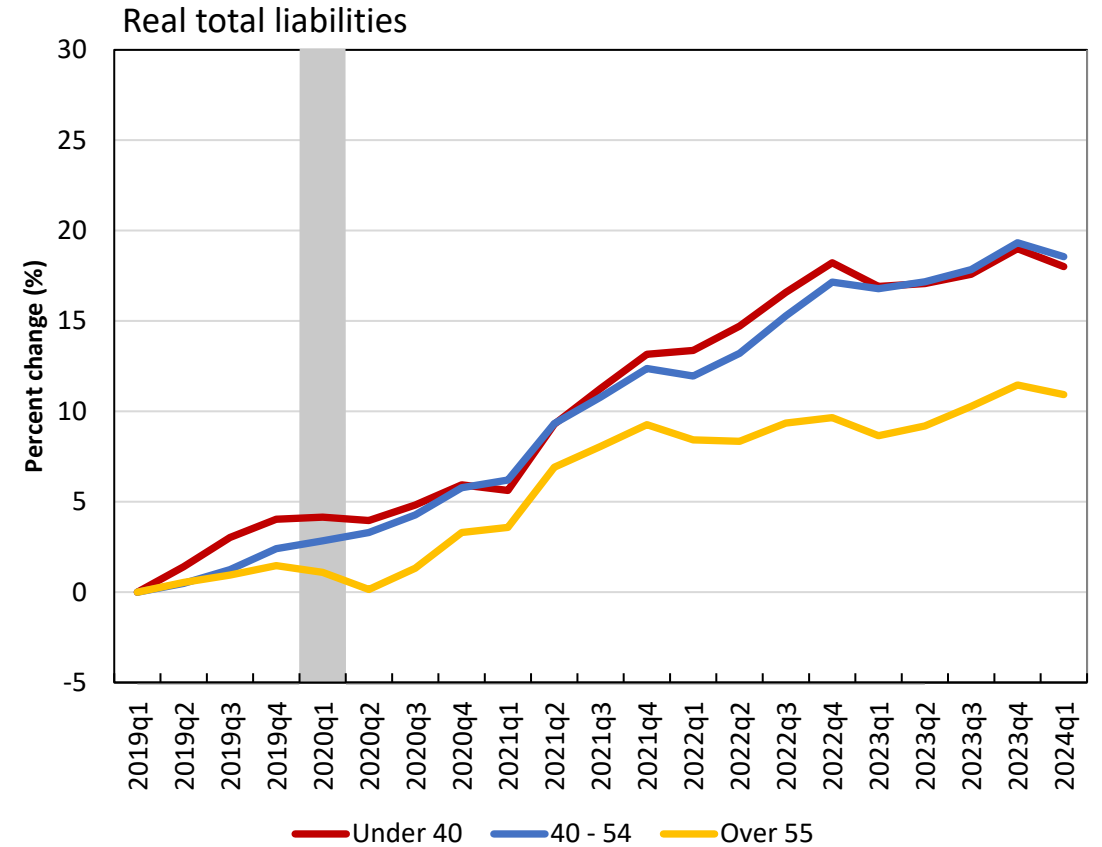
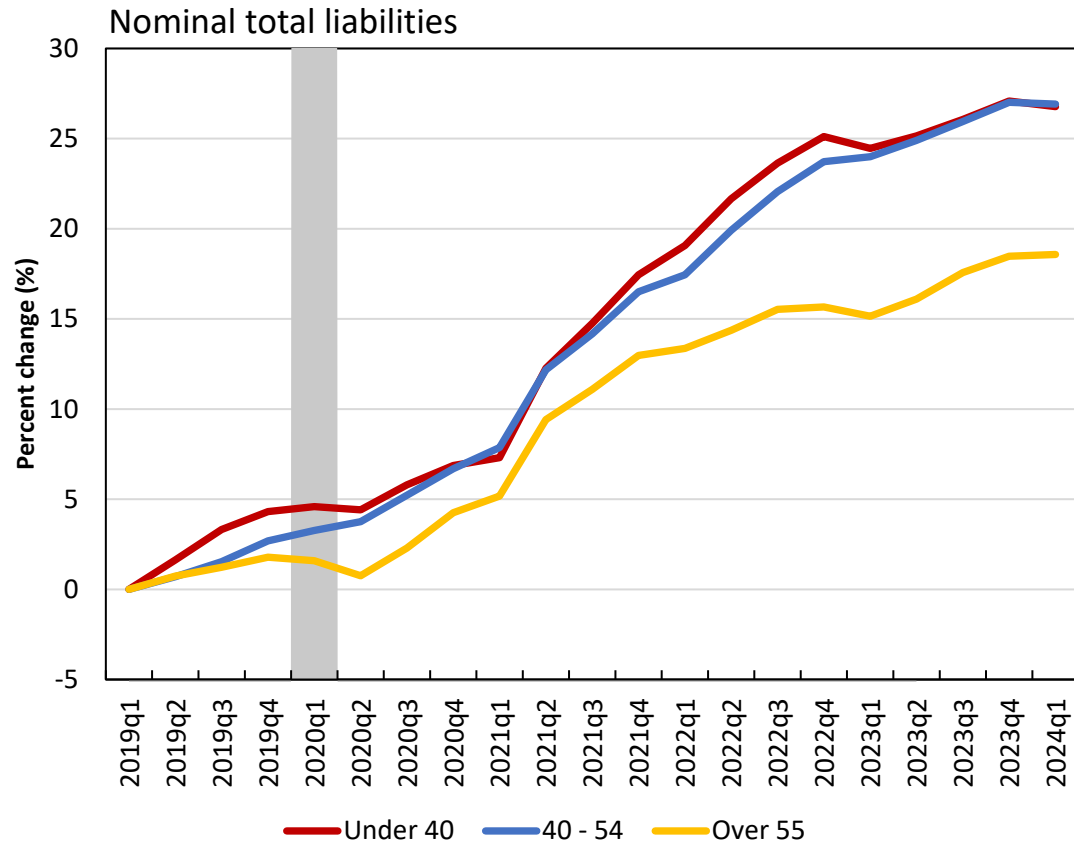
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Real Estate Assets per Household by Age Group



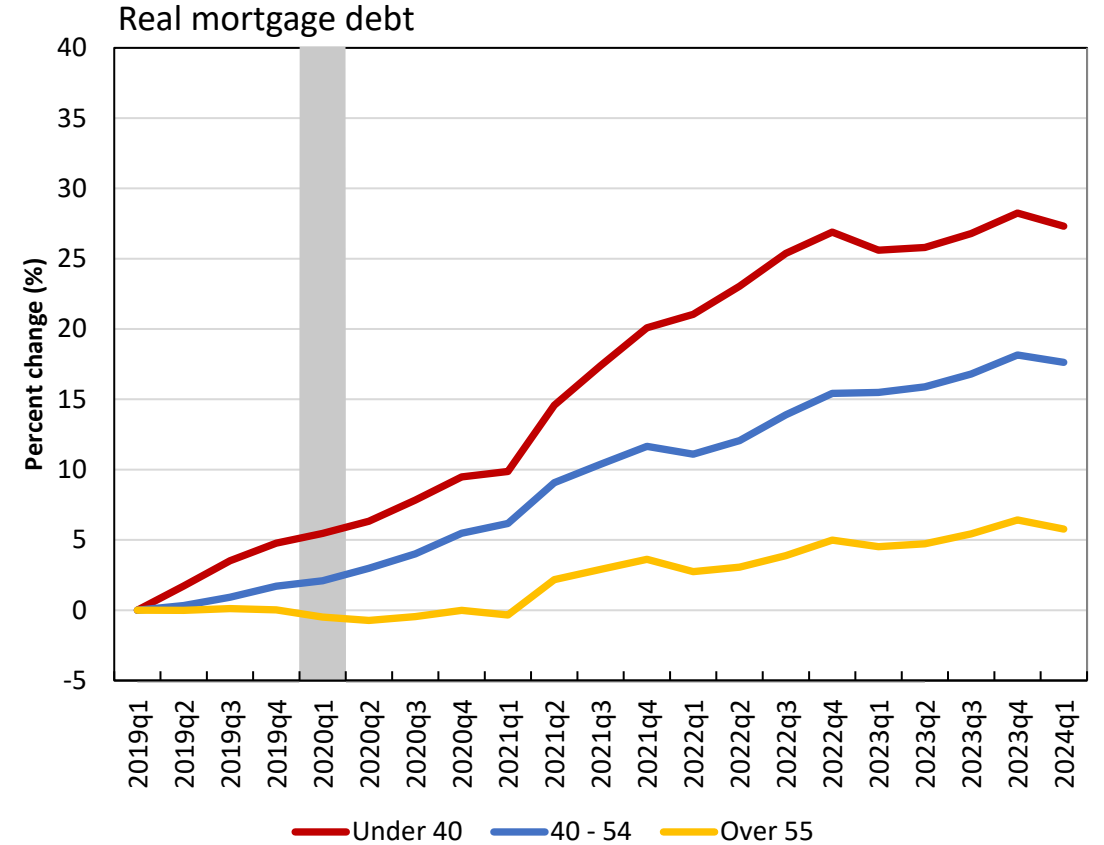
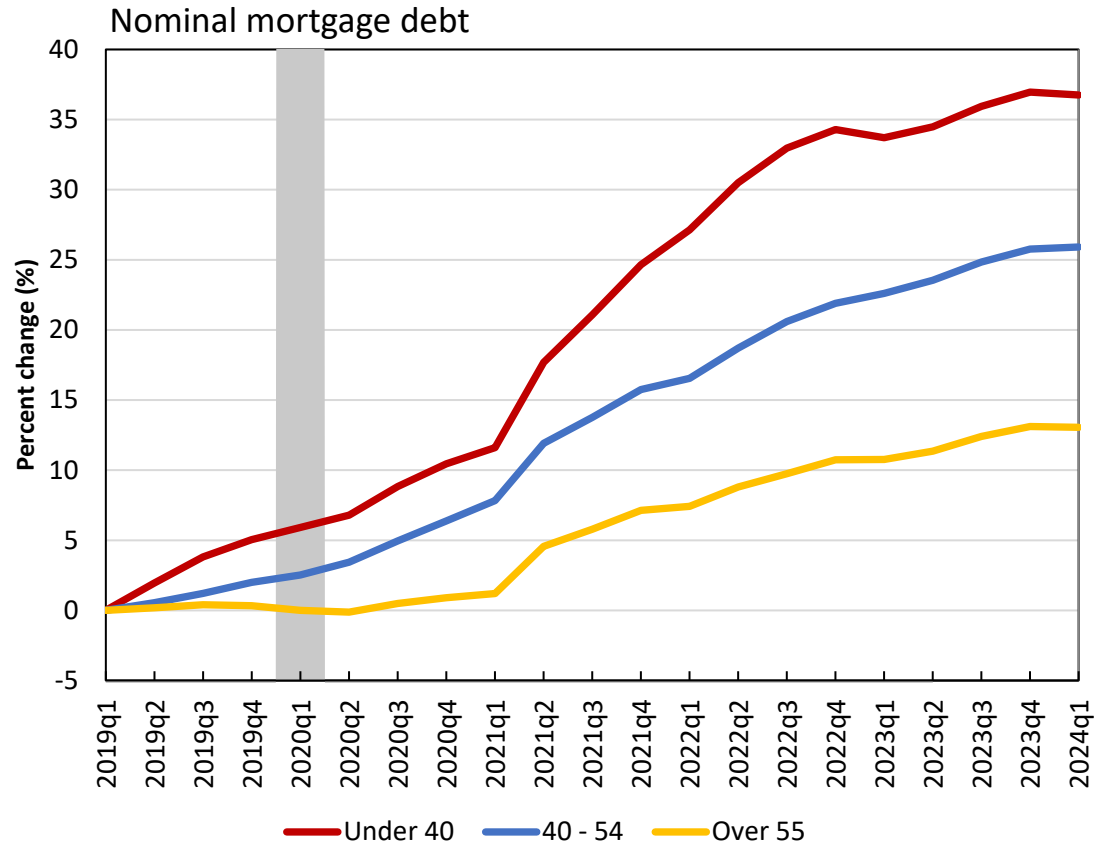
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Total Liabilities per Household by Age Group



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Mortgage Debt per Household by Age Group

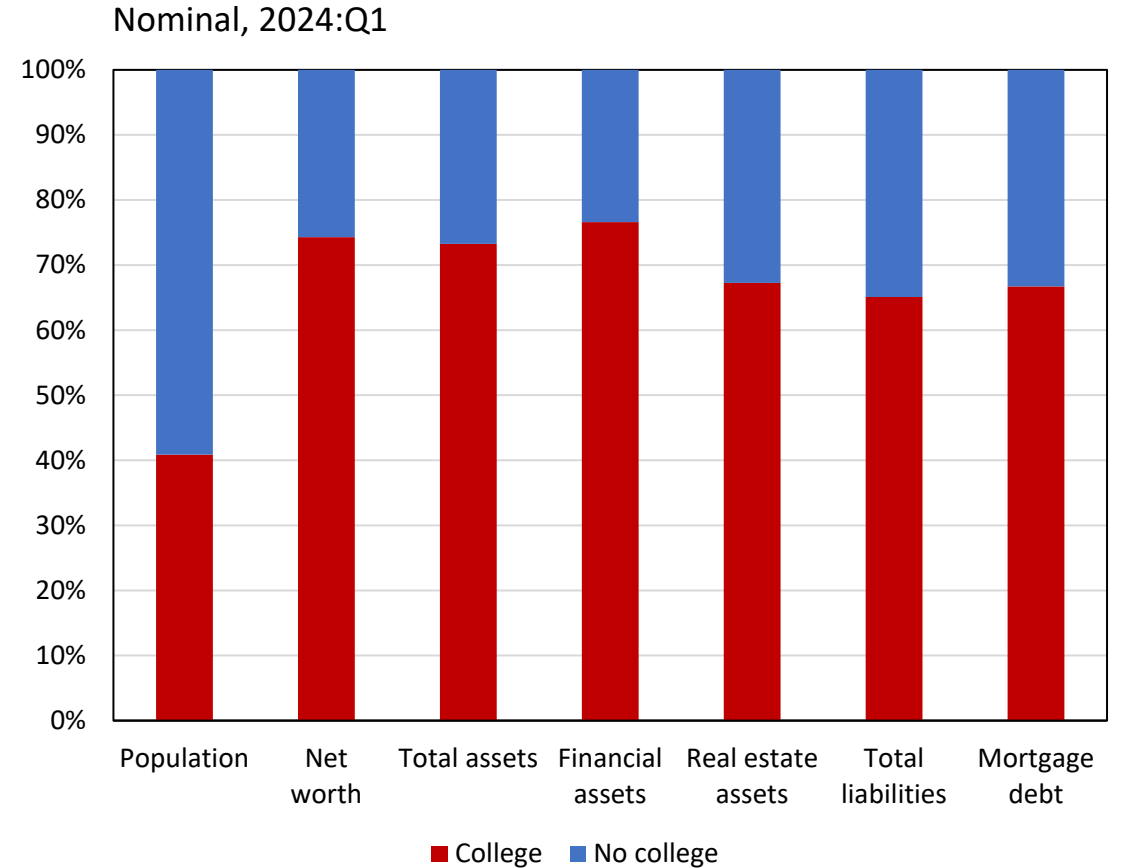
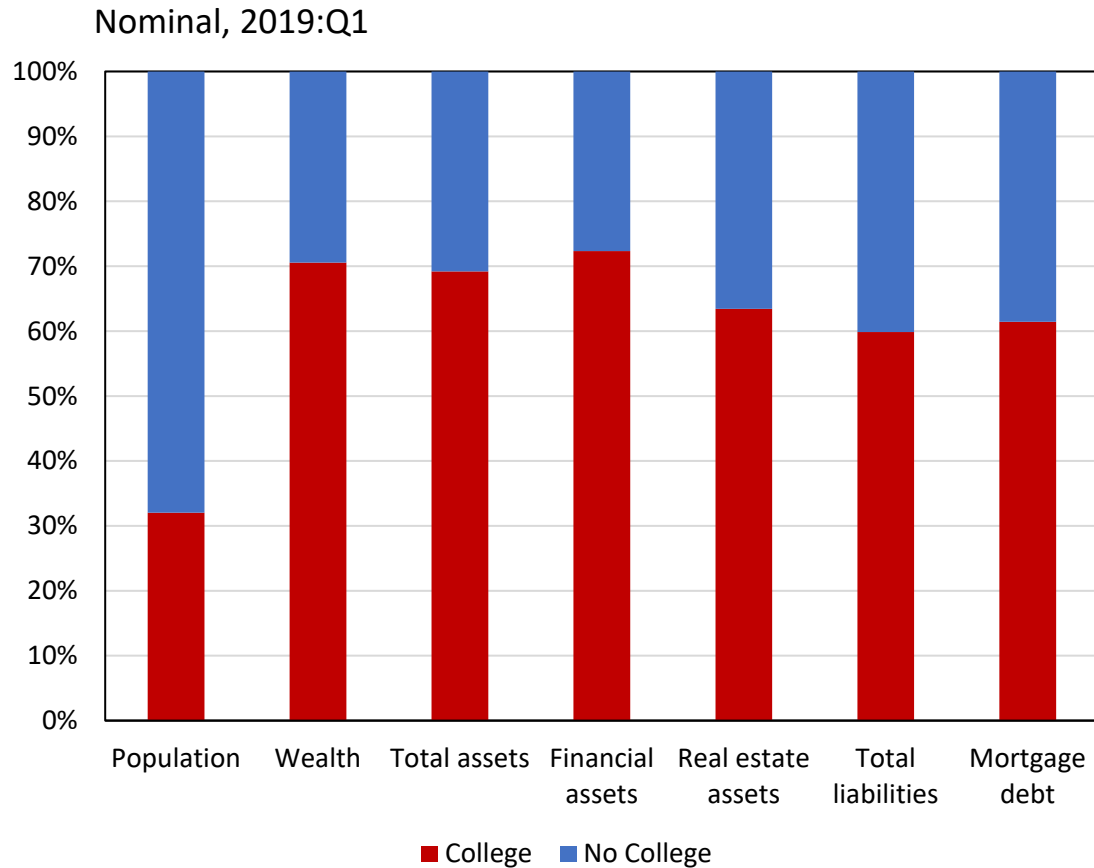


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WEALTH INEQUALITY

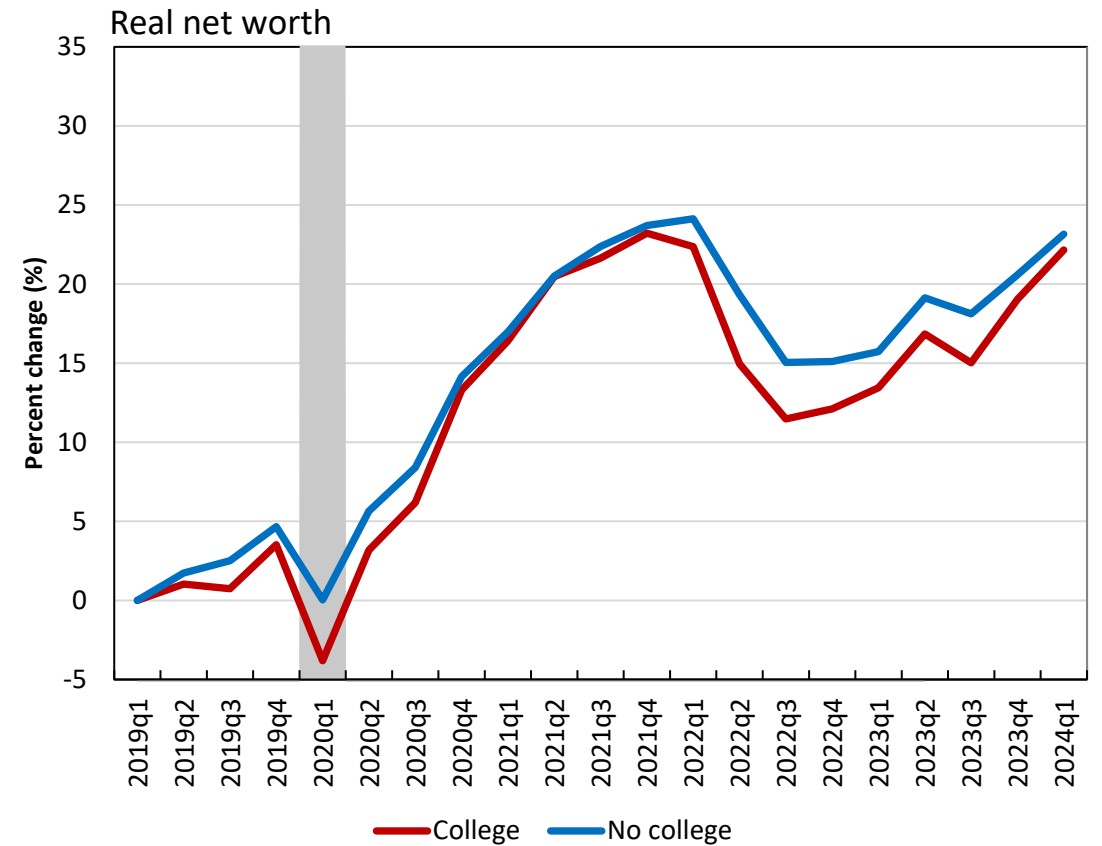
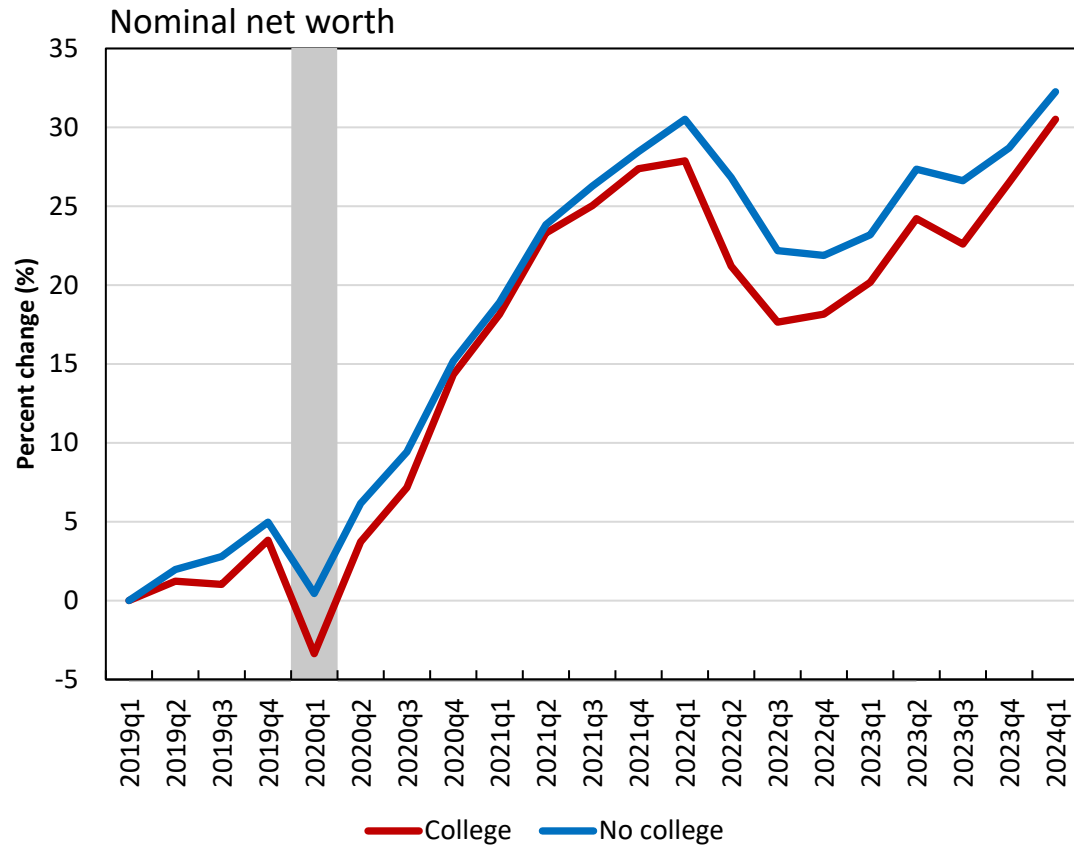
BY EDUCATION

Population and Ownership Shares by Education Group



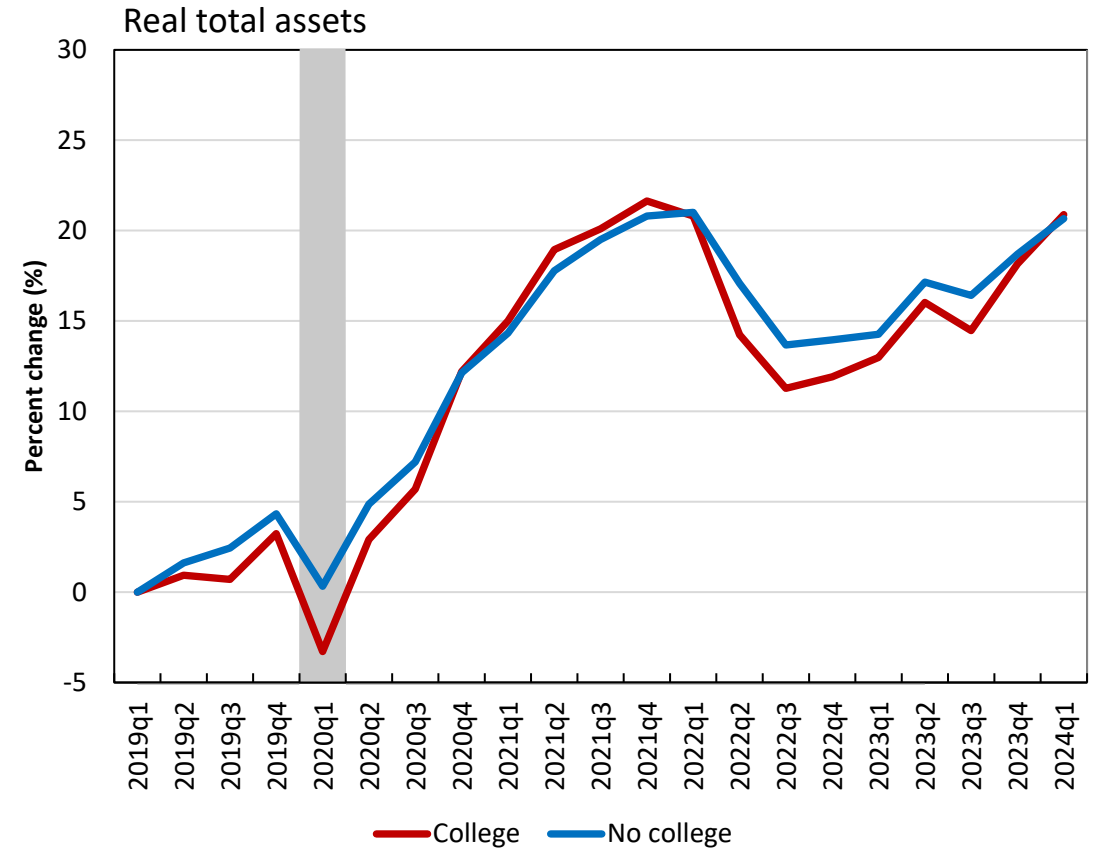
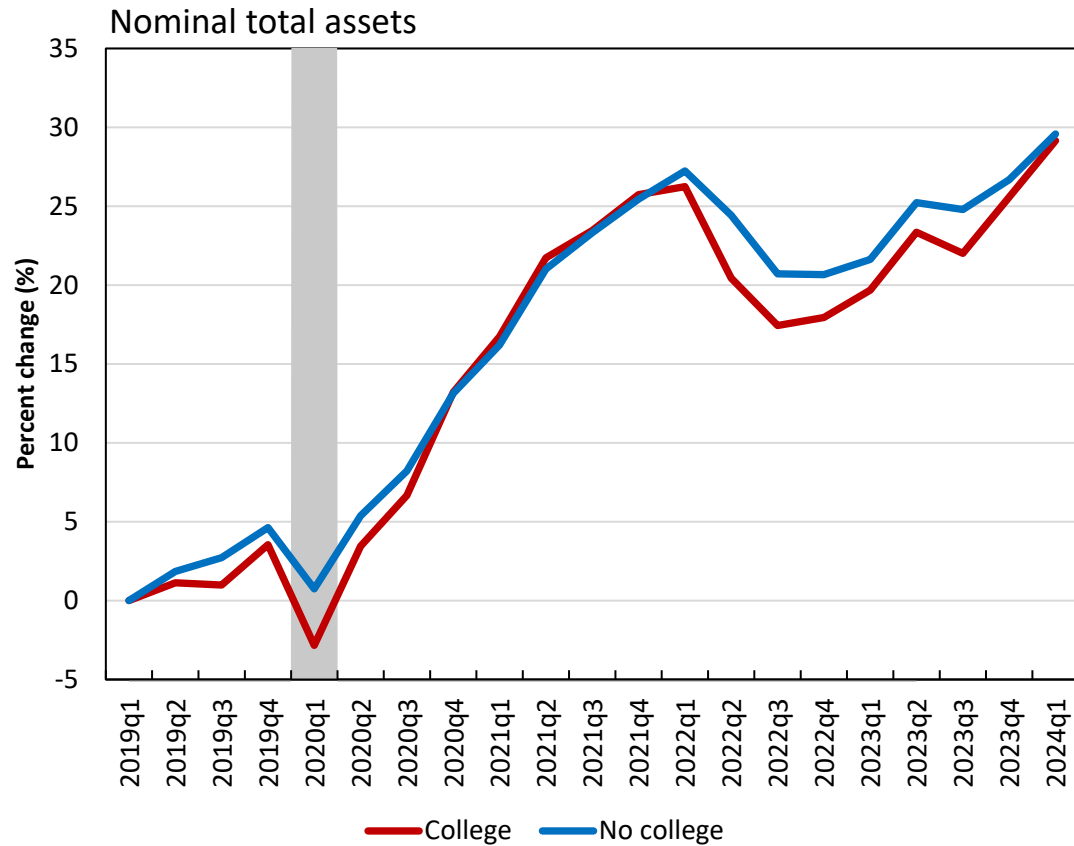
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Net Worth per Household by Education Group



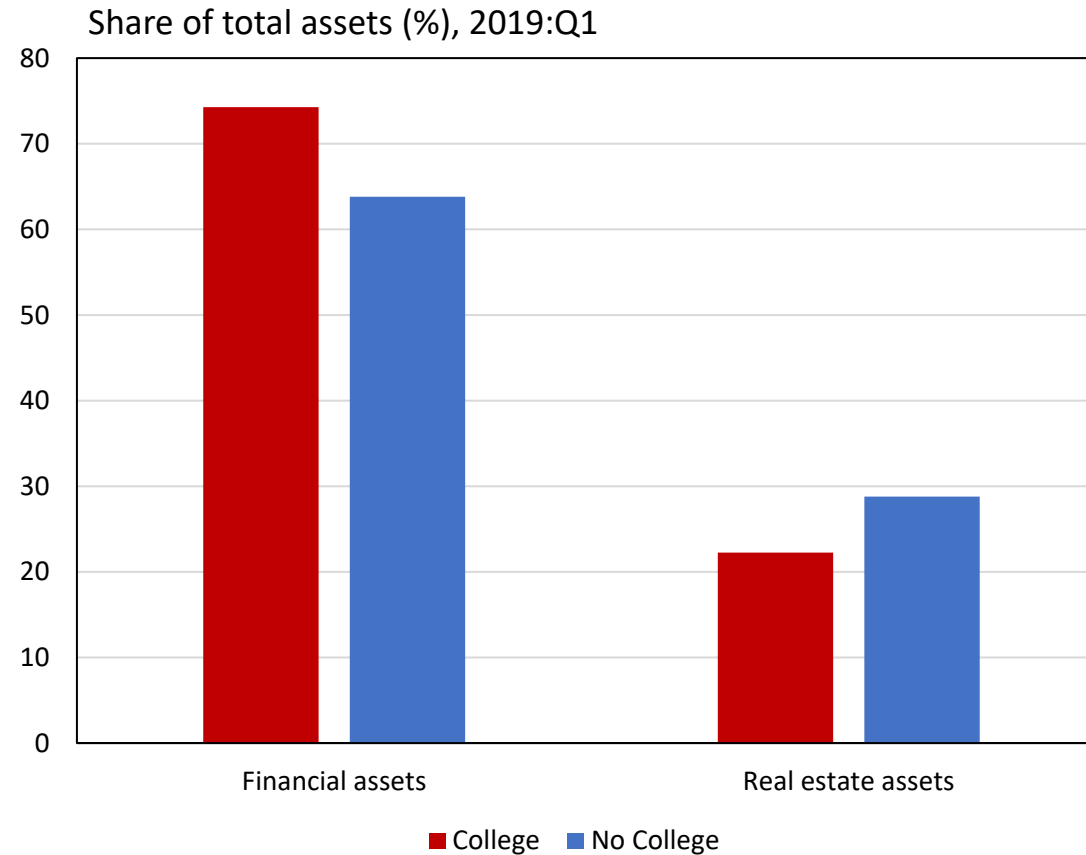
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Total Assets per Household by Education Group



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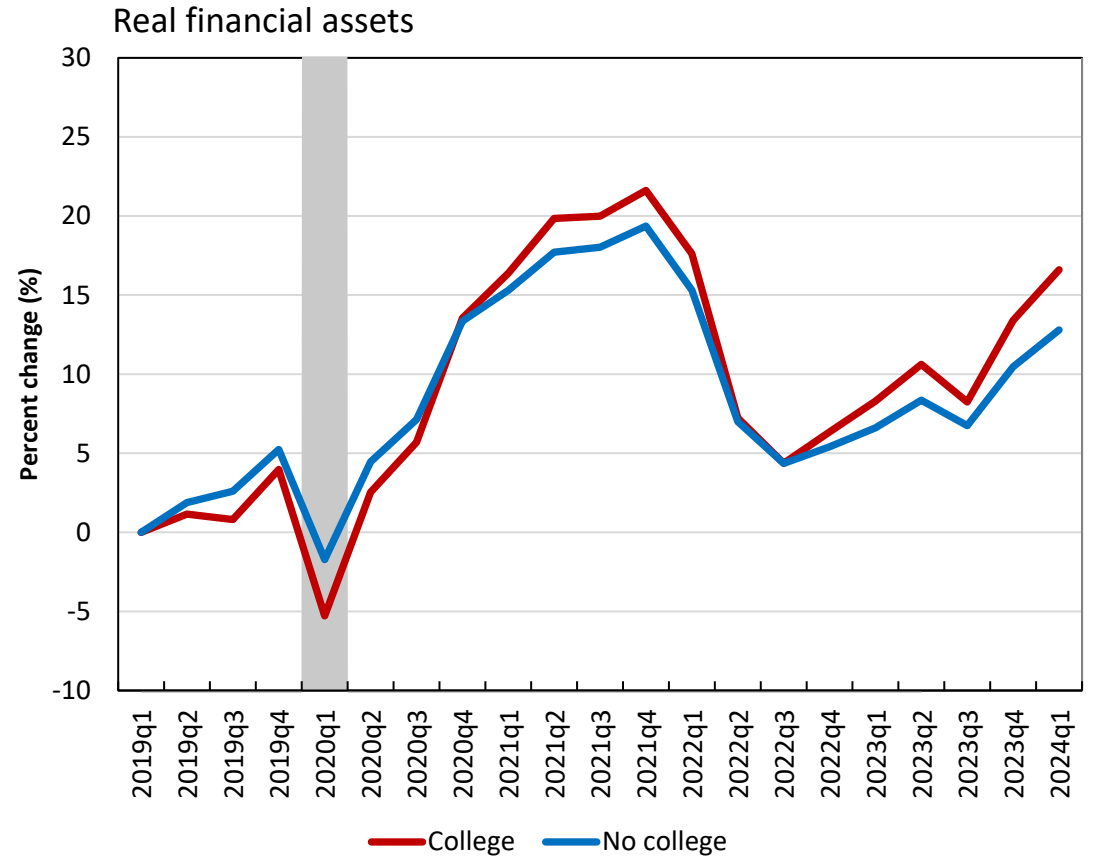
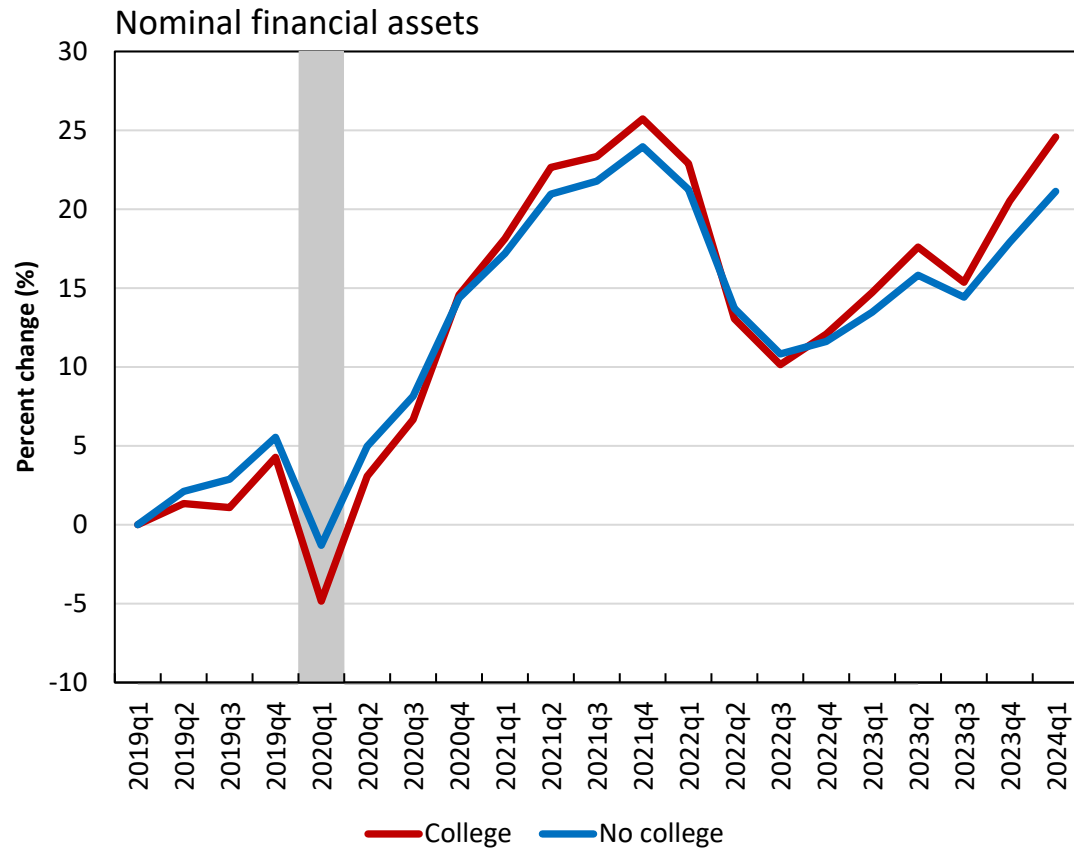
Composition of Total Assets by Education



Source: Distributional Financial Accounts via Federal Reserve.

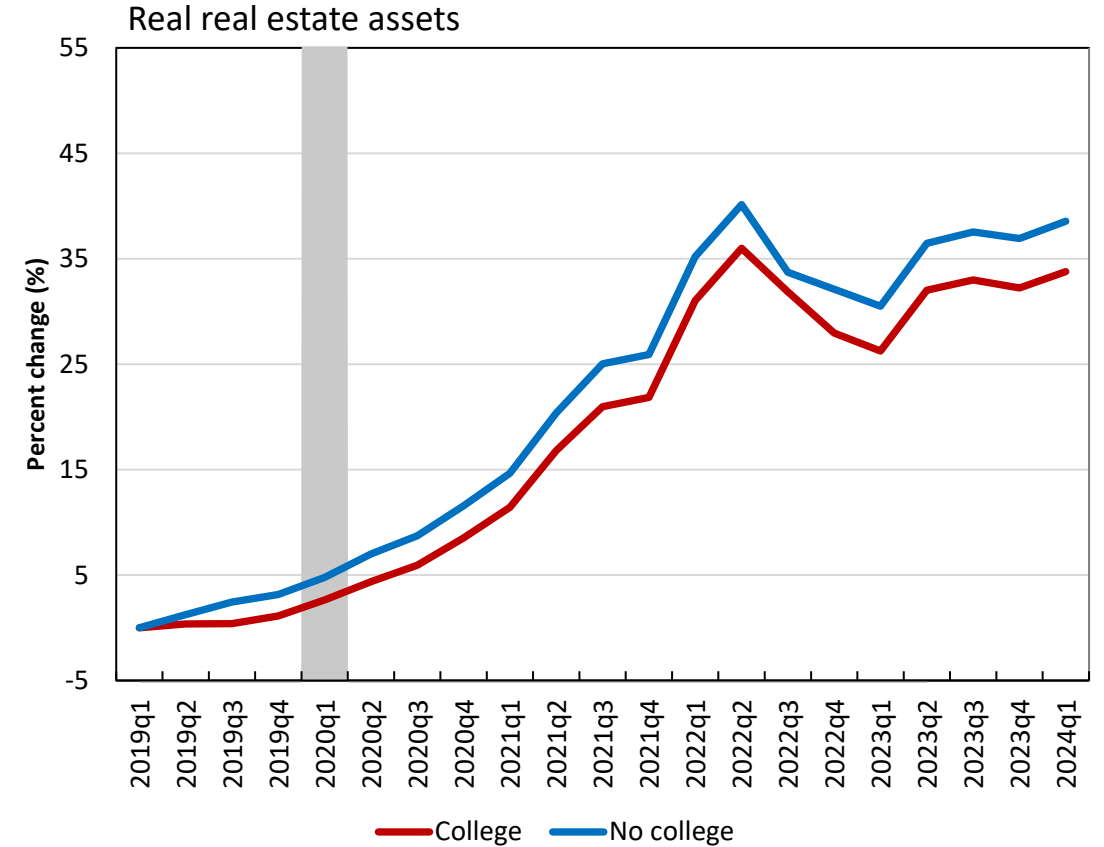
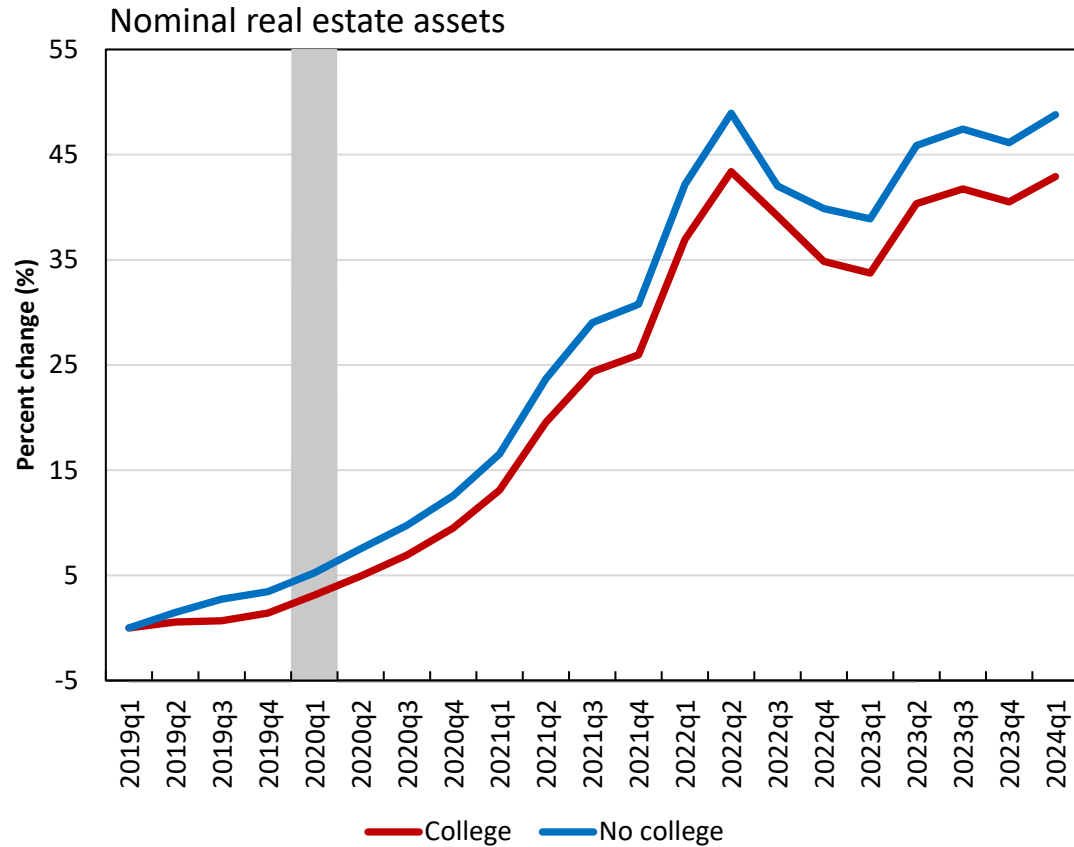
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Financial Assets per Household by Education Group



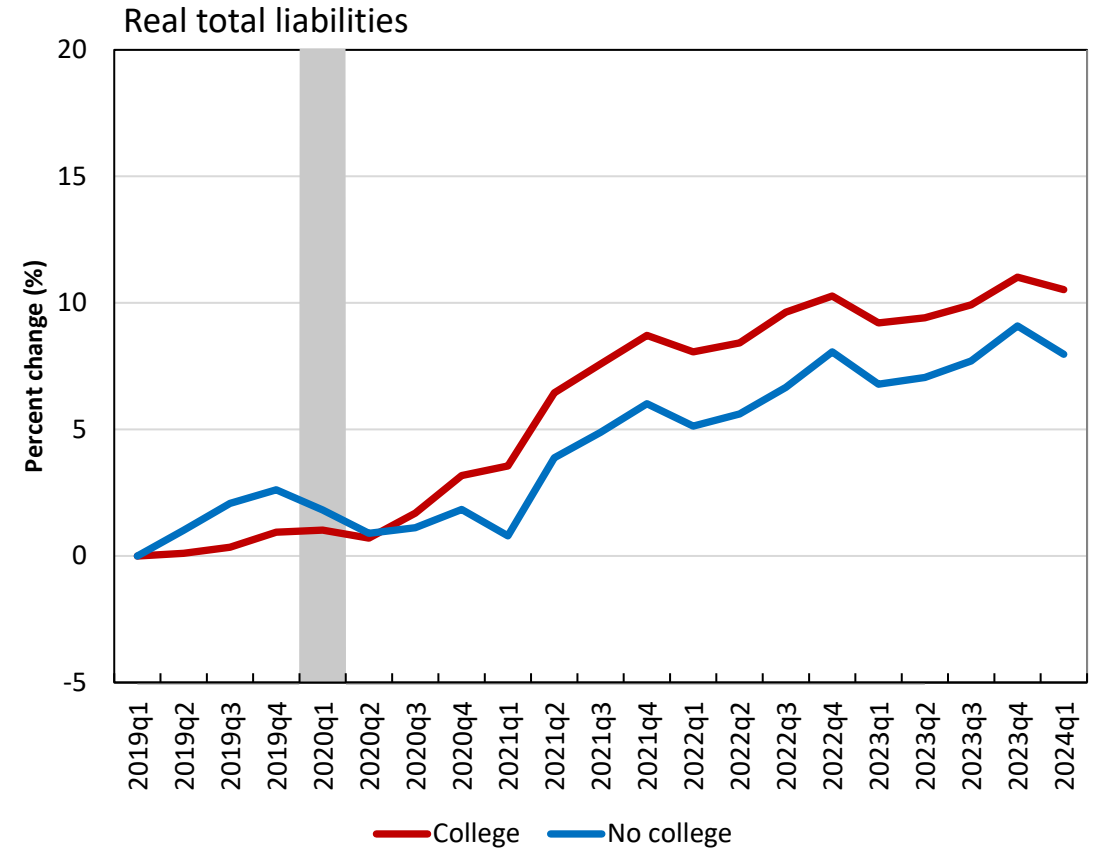
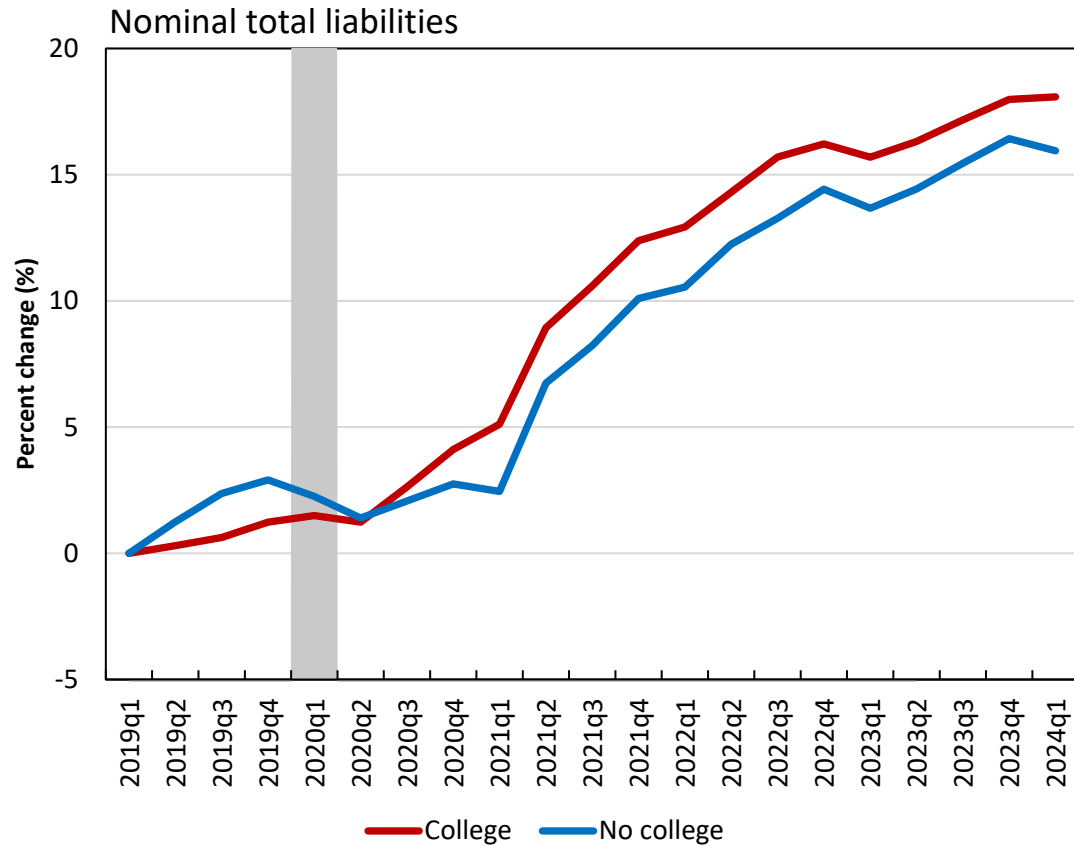
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Real Estate Assets per Household by Education Group



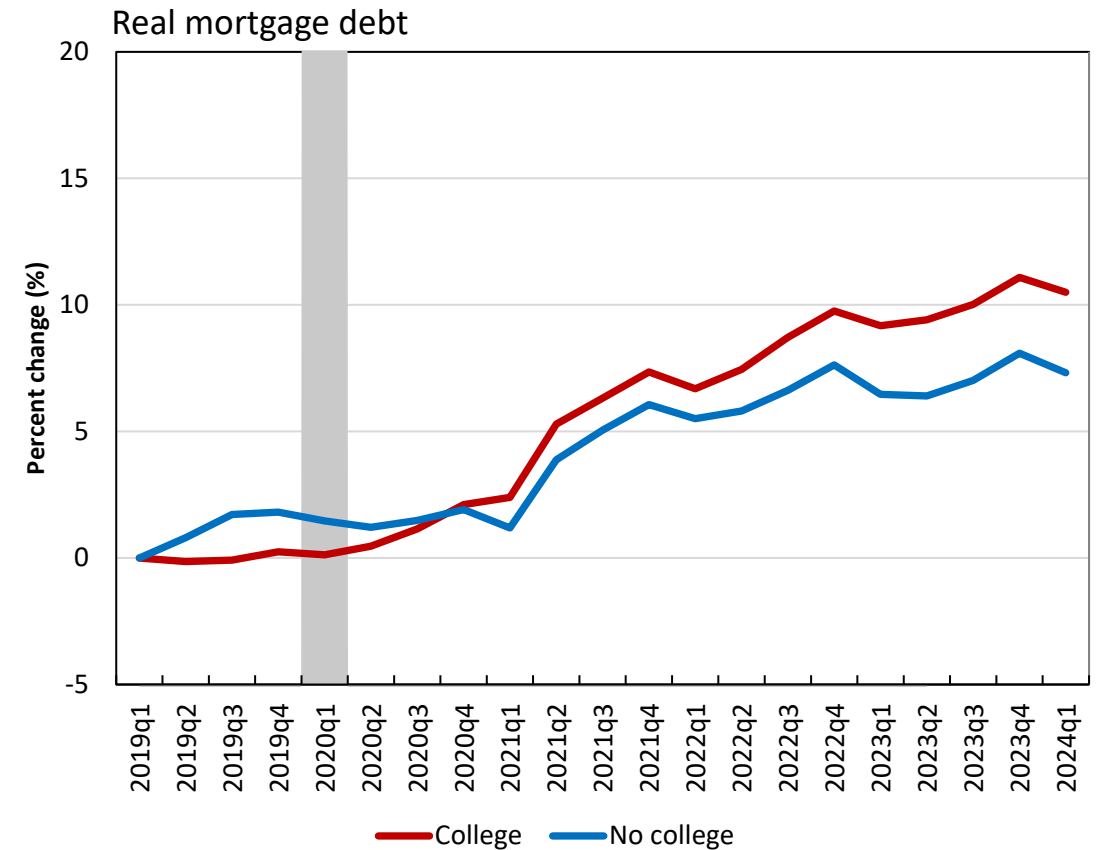
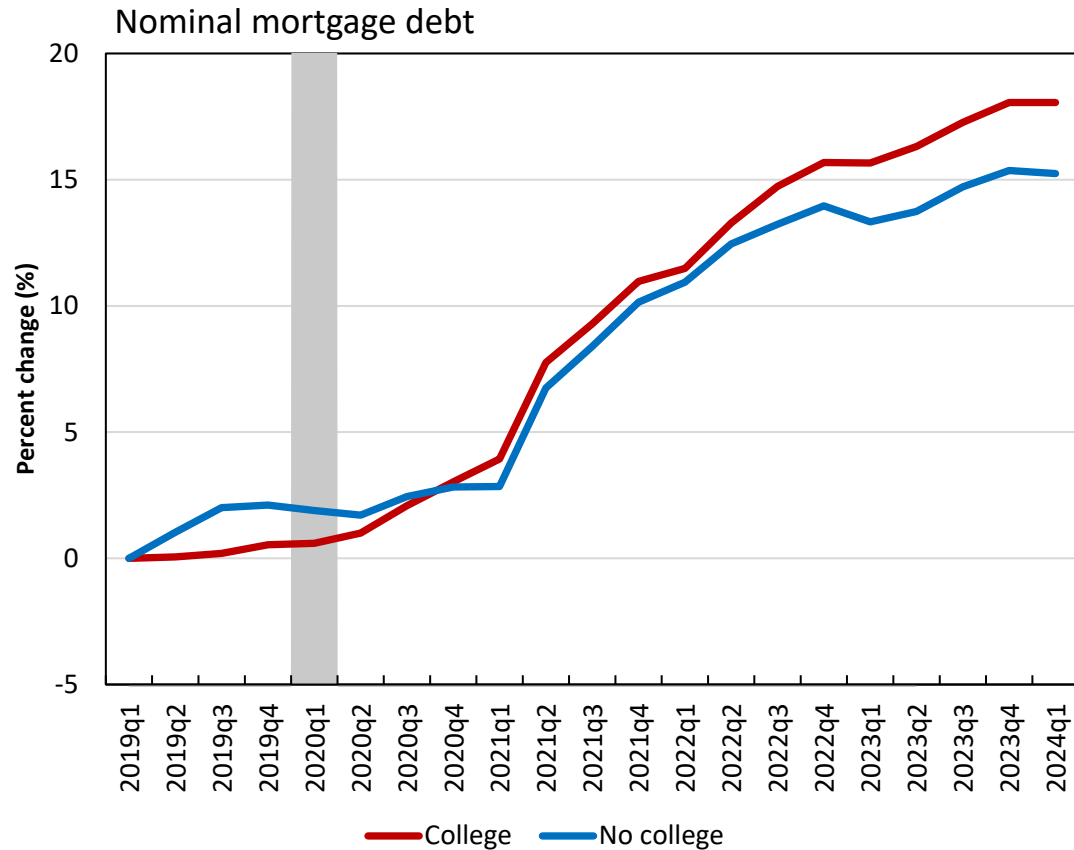
Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations. Note: Shaded region indicates the COVID-19 recession.

Total Liabilities per Household by Education Group



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Mortgage Debt per Household by Education Group



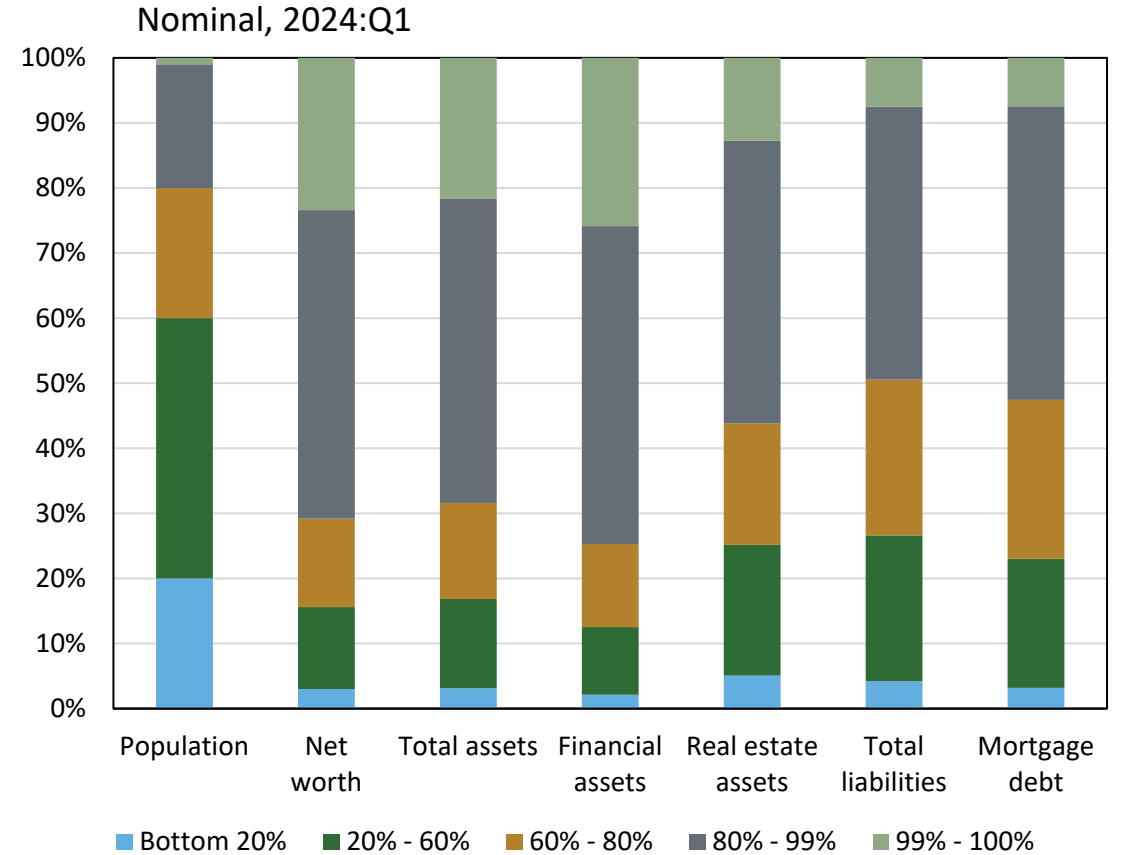
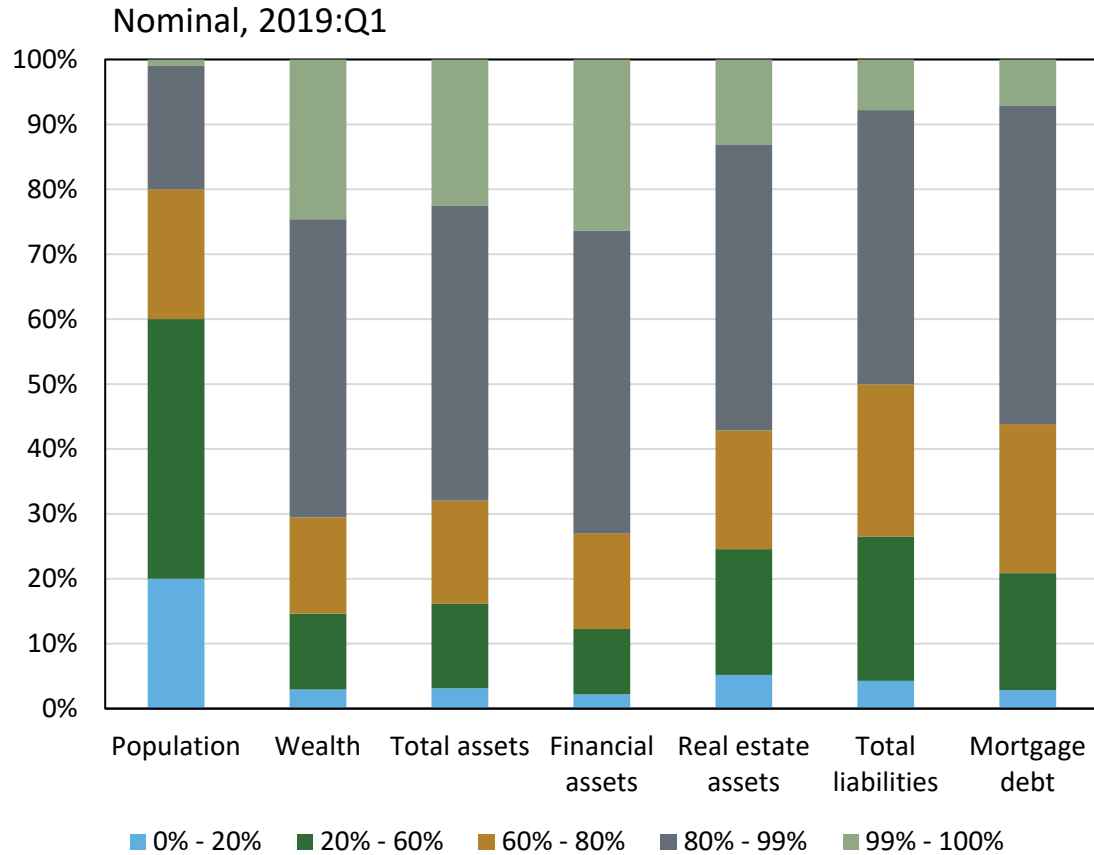
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WEALTH INEQUALITY

BY INCOME PERCENTILE

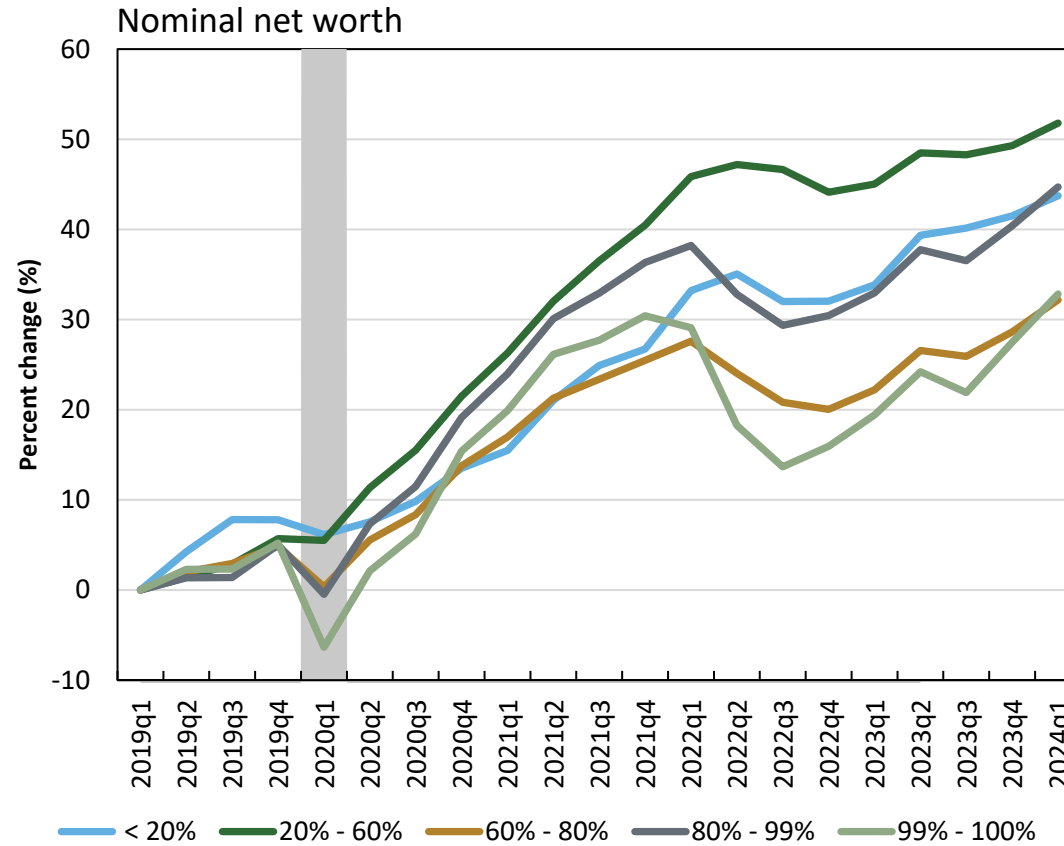


Population and Ownership Shares by Income Percentile



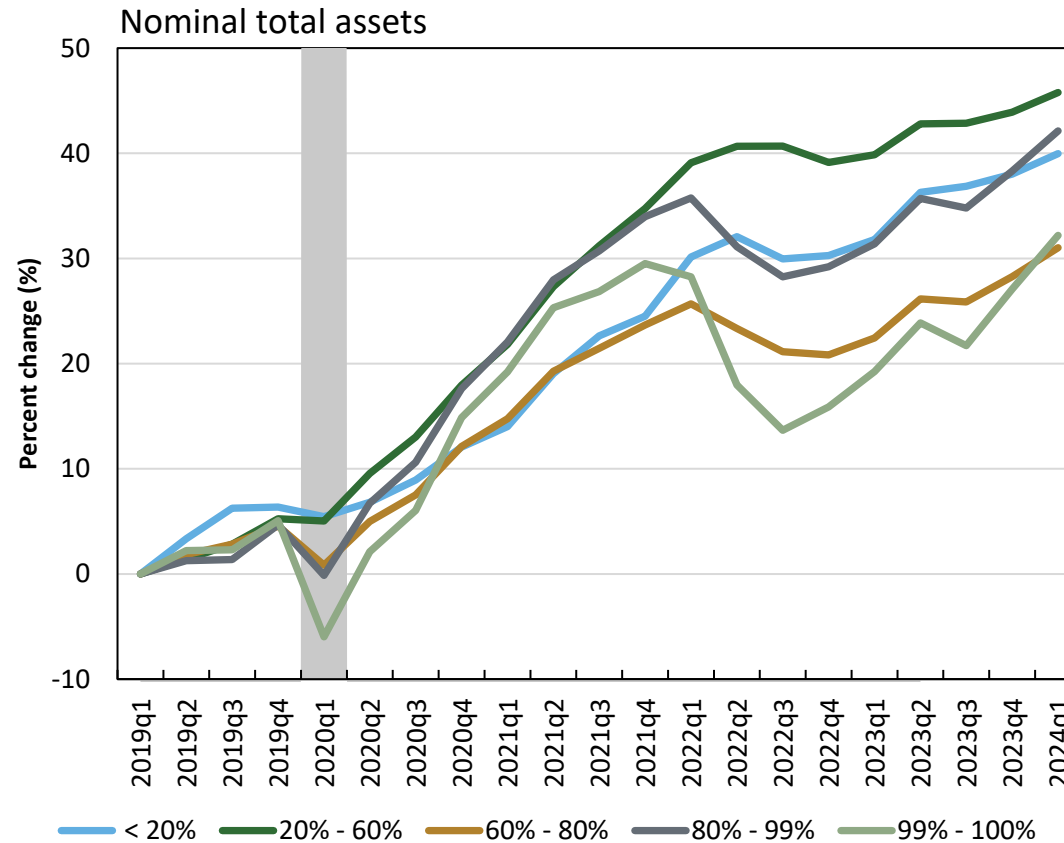
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Net Worth per Household by Income Percentile



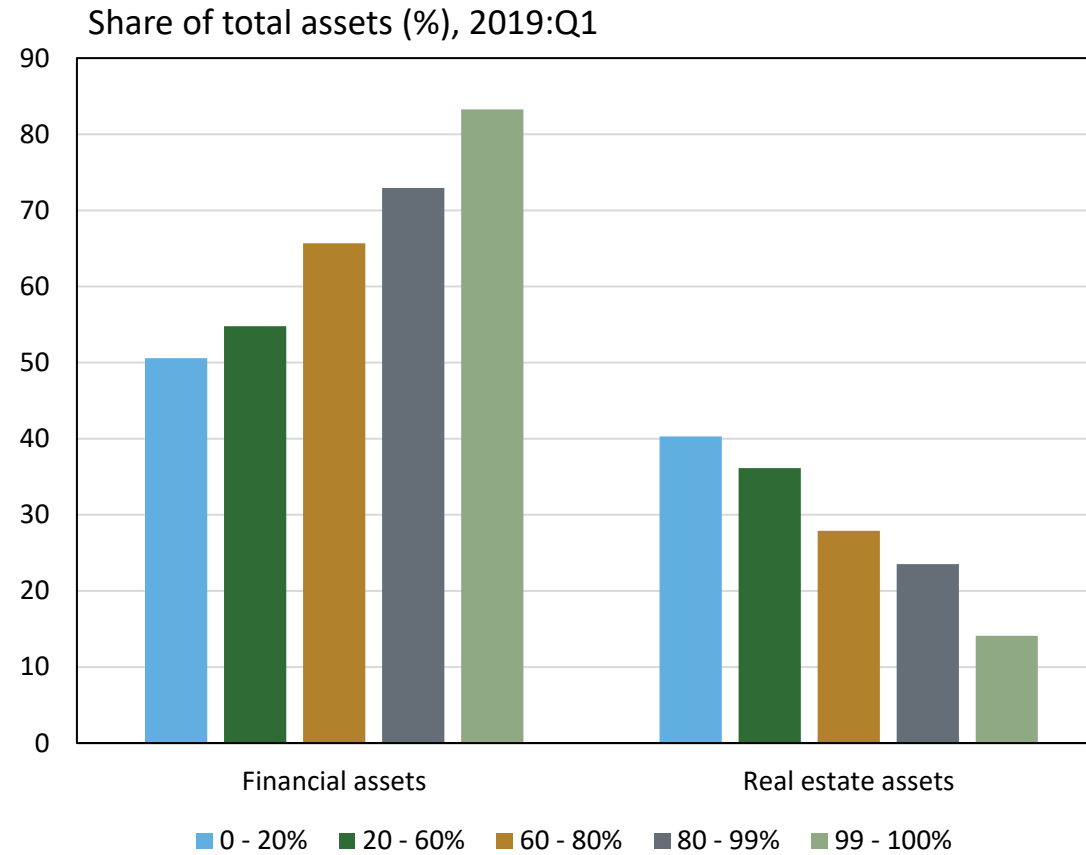
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Total Assets per Household by Income Percentile



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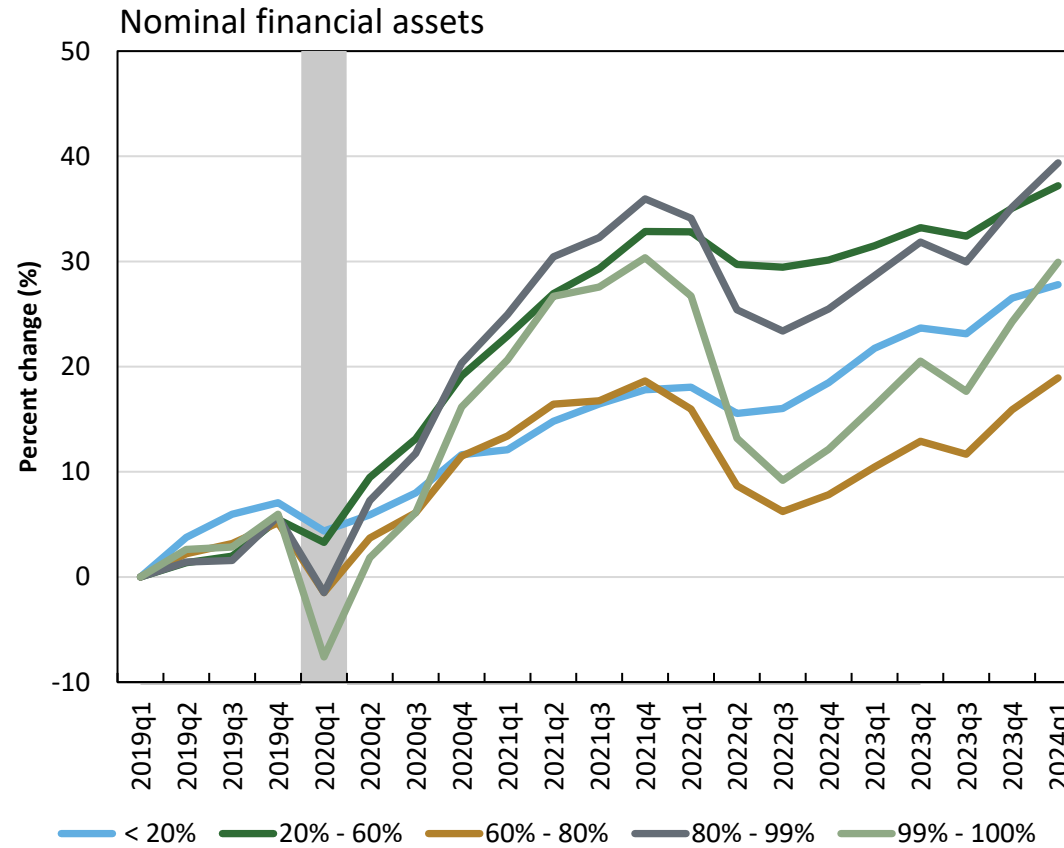
Composition of Total Assets by Income Group



Source: Distributional Financial Accounts via Federal Reserve.

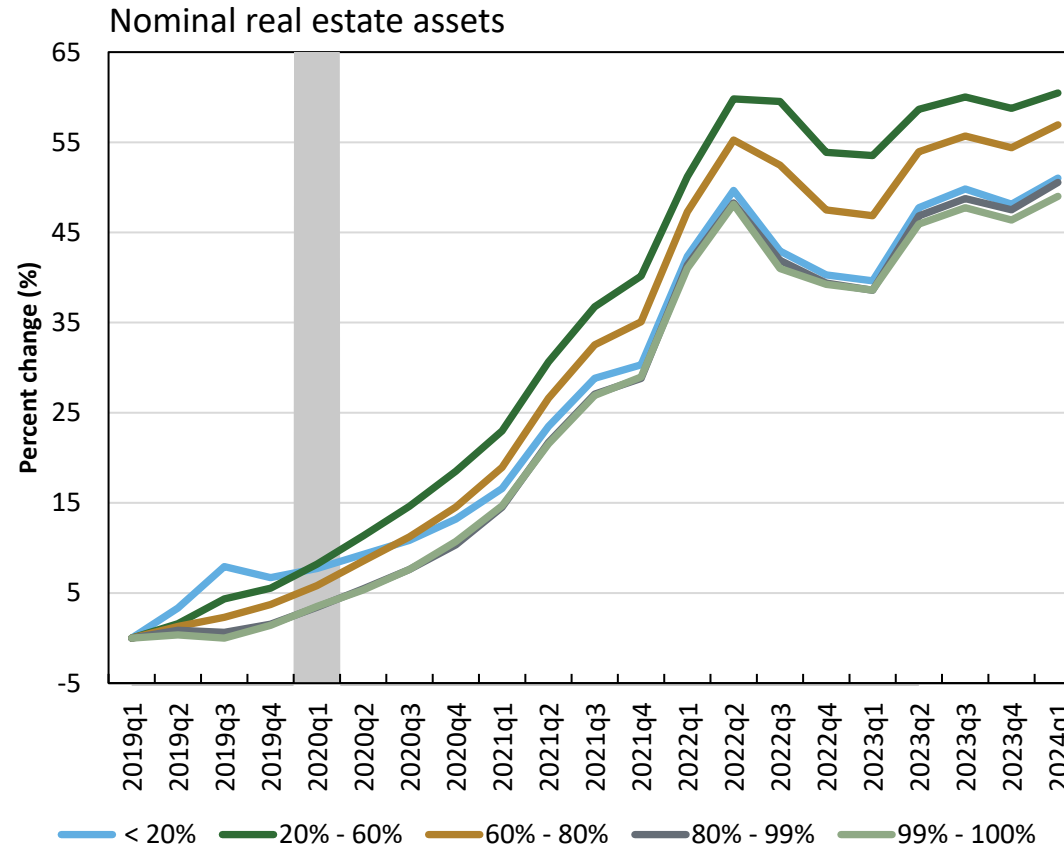
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Financial Assets per Household by Income Percentile



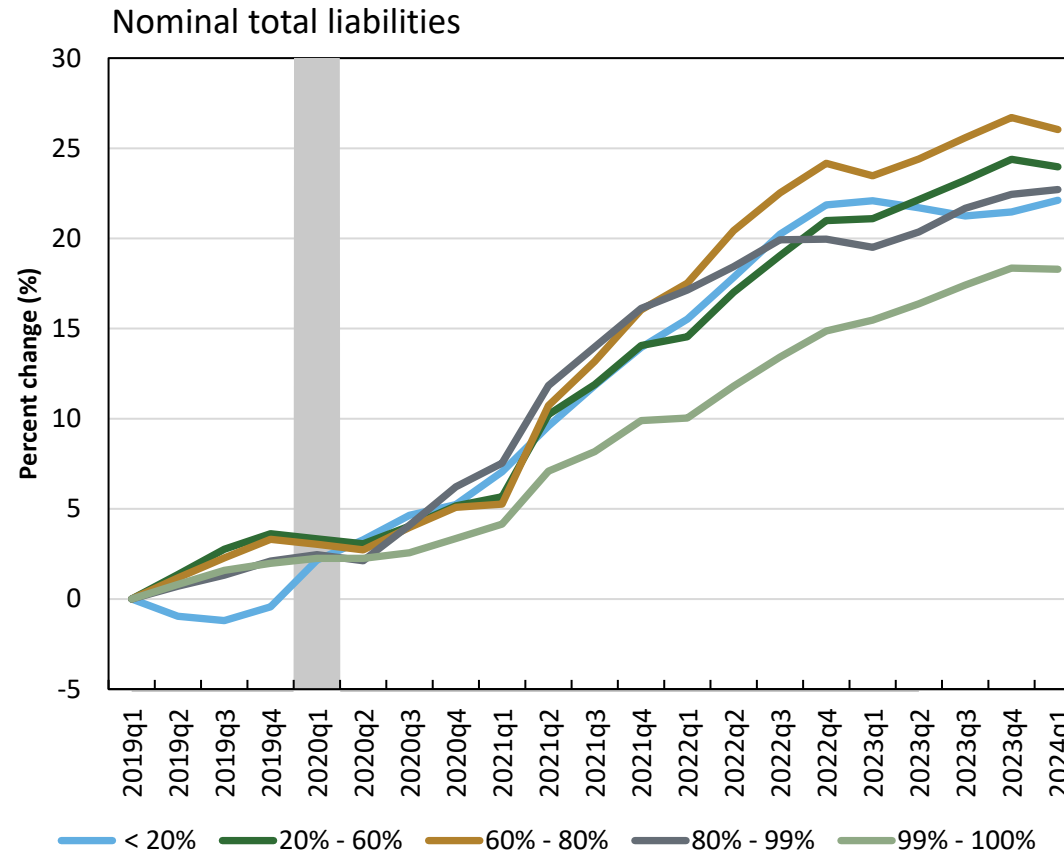
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Real Estate Assets per Household by Income Percentile



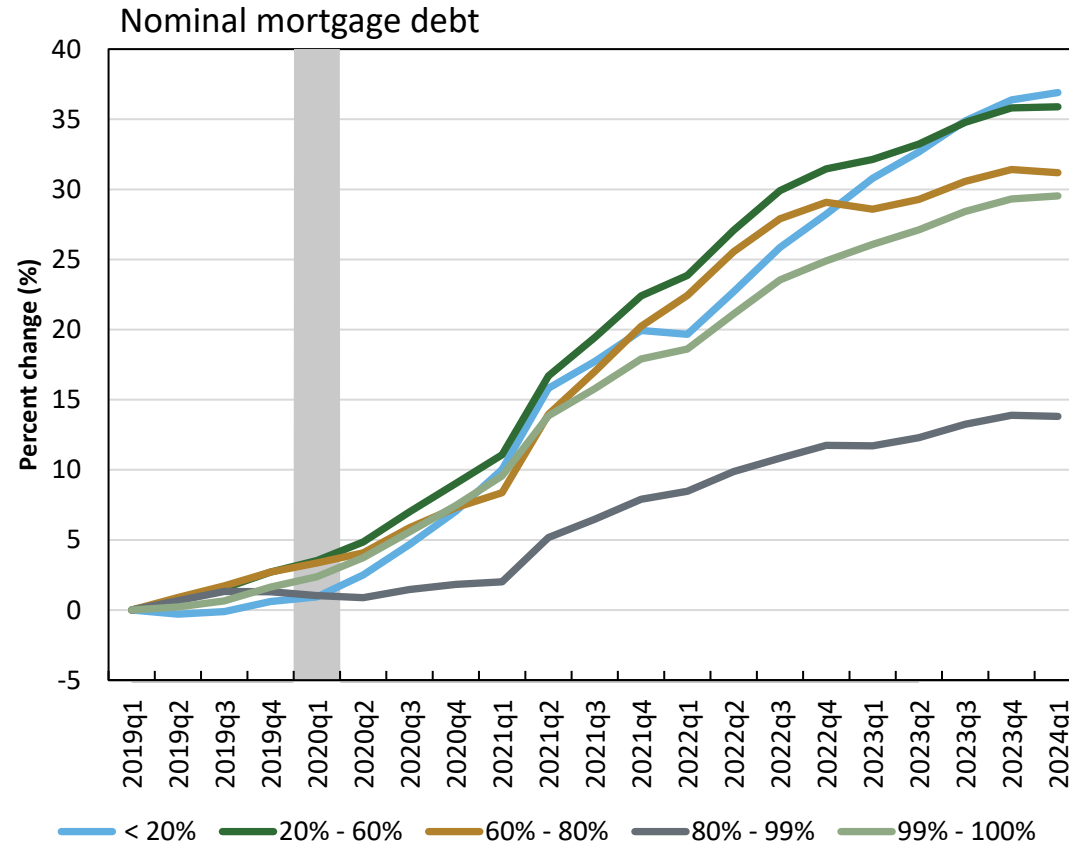
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Total Liabilities per Household by Income Percentile



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Mortgage Debt per Household by Income Percentile

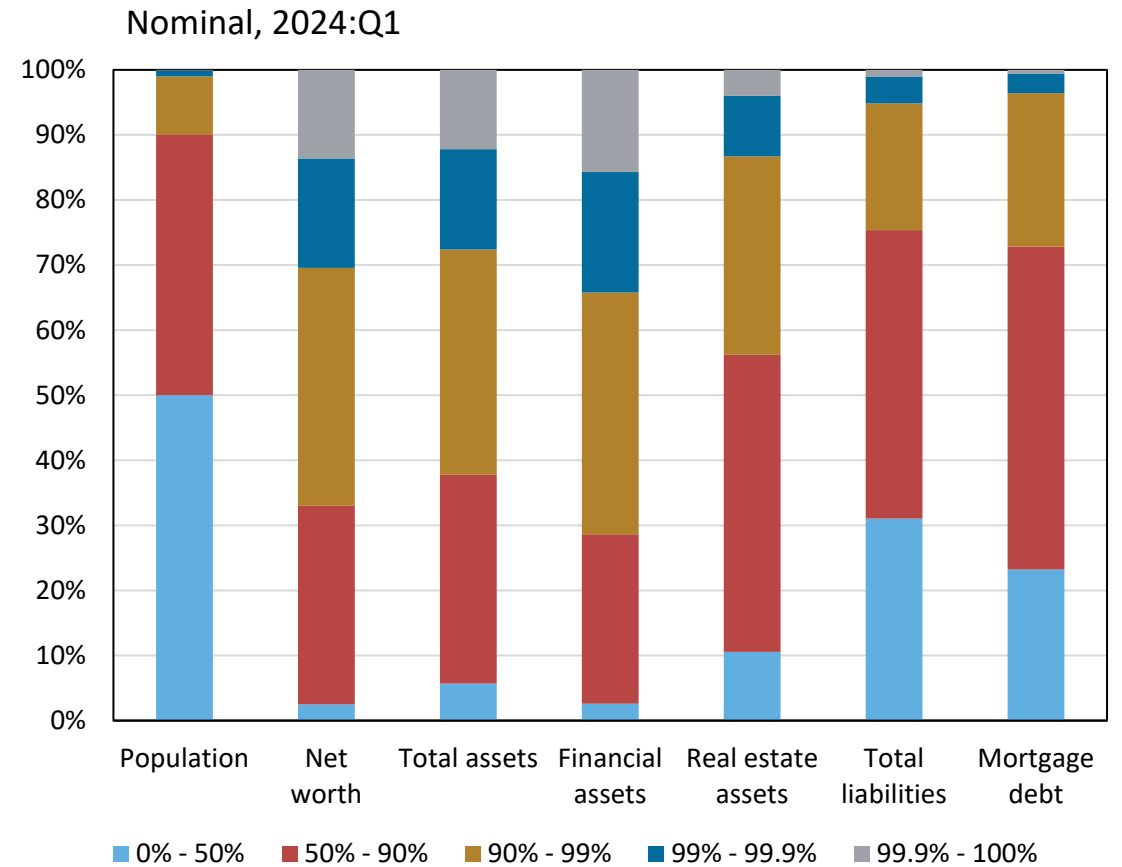
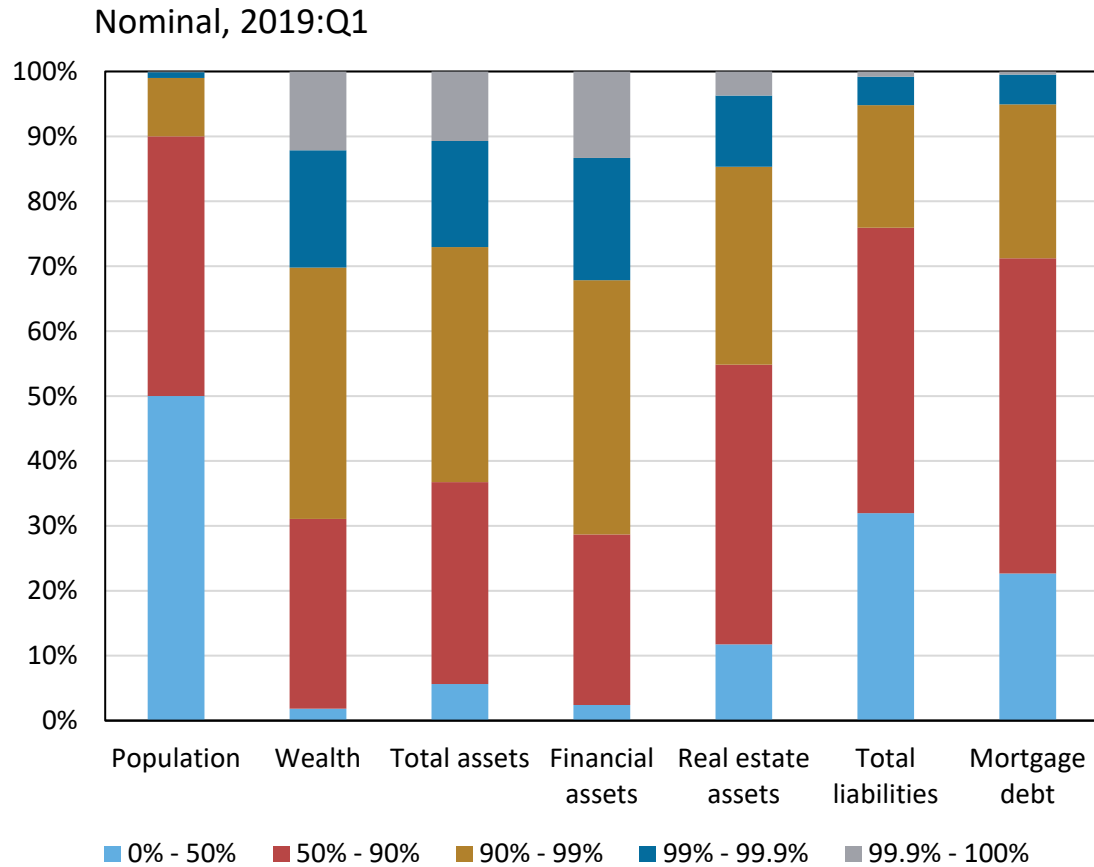


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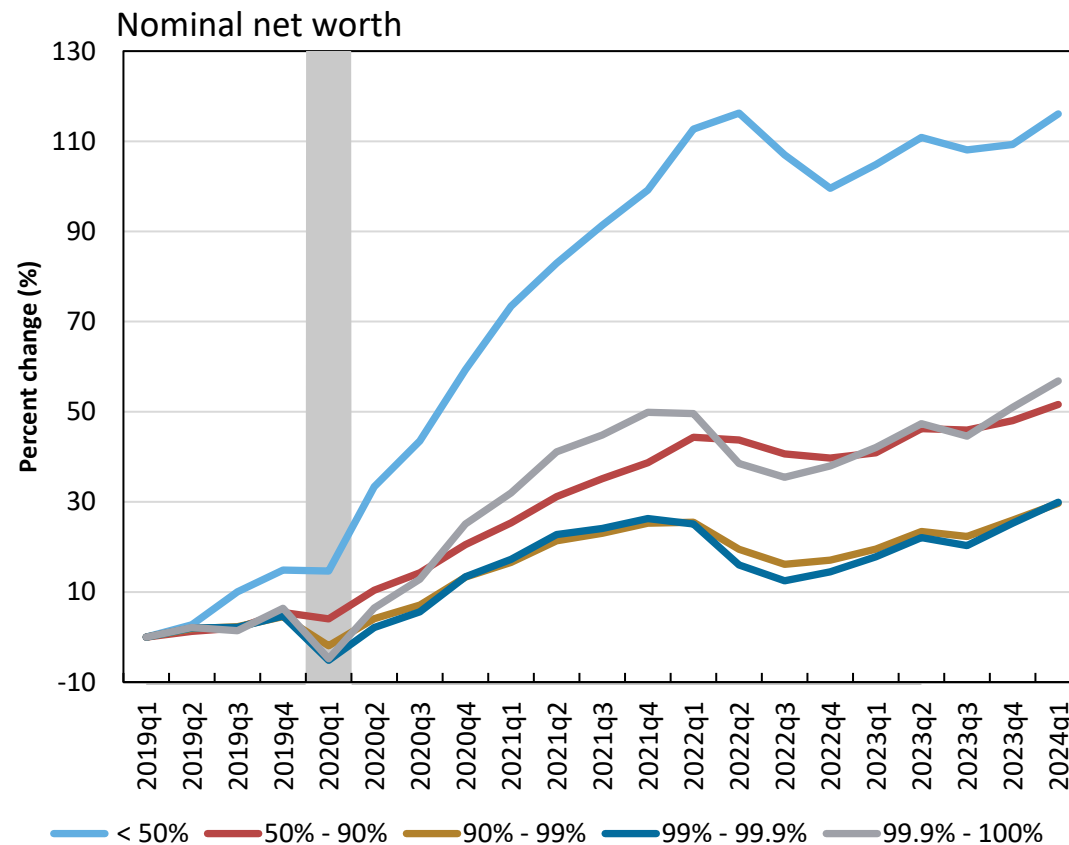
BY WEALTH PERCENTILE

Population and Ownership Shares by Wealth Percentile



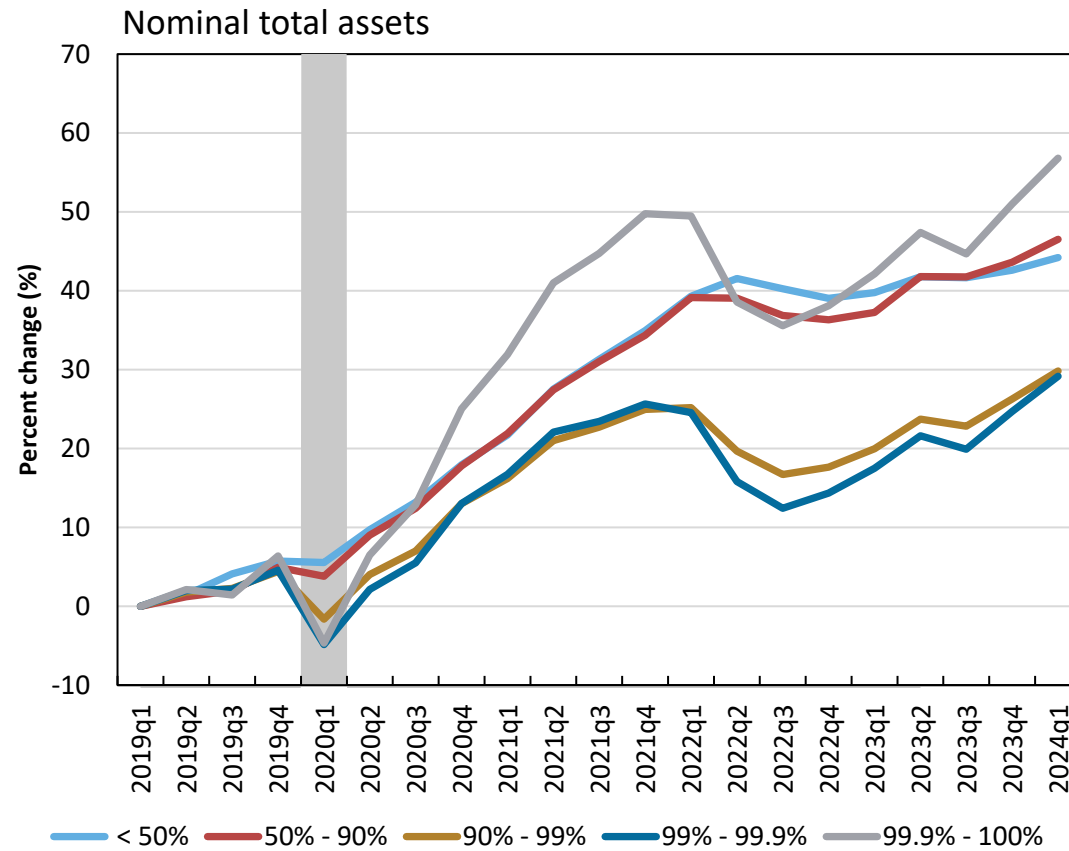
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Net Worth per Household by Wealth Percentile



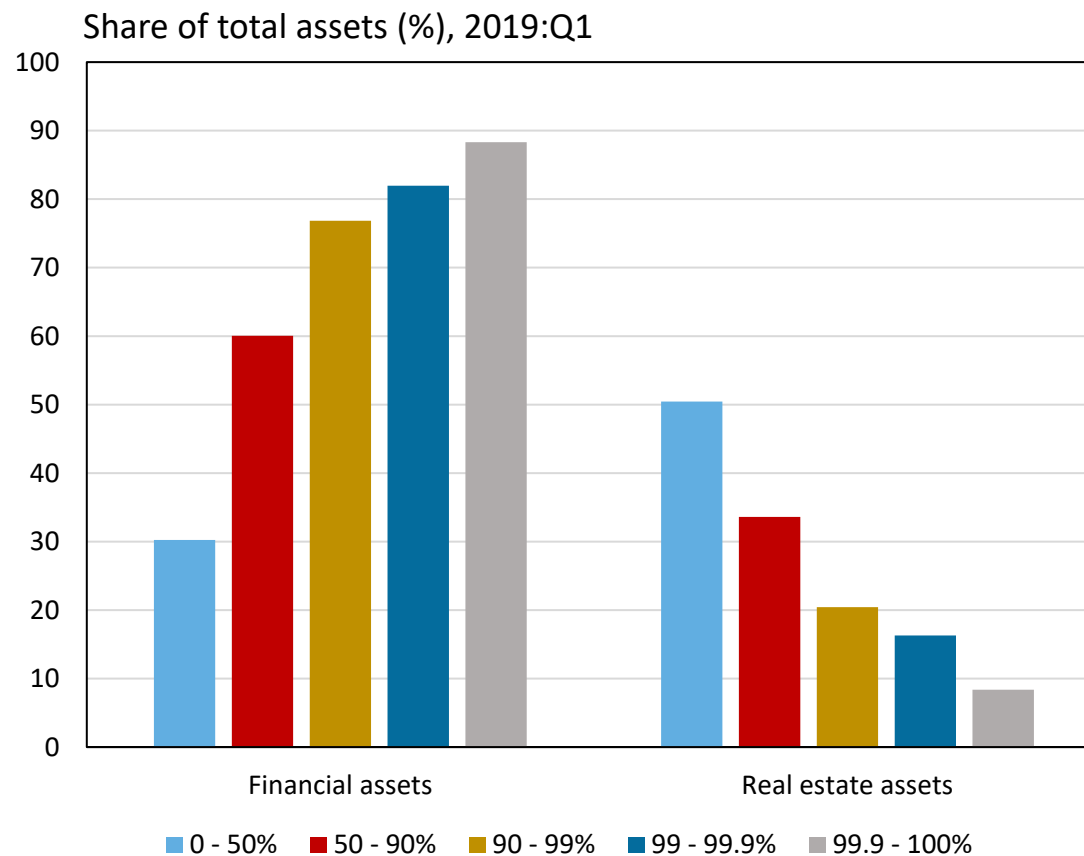
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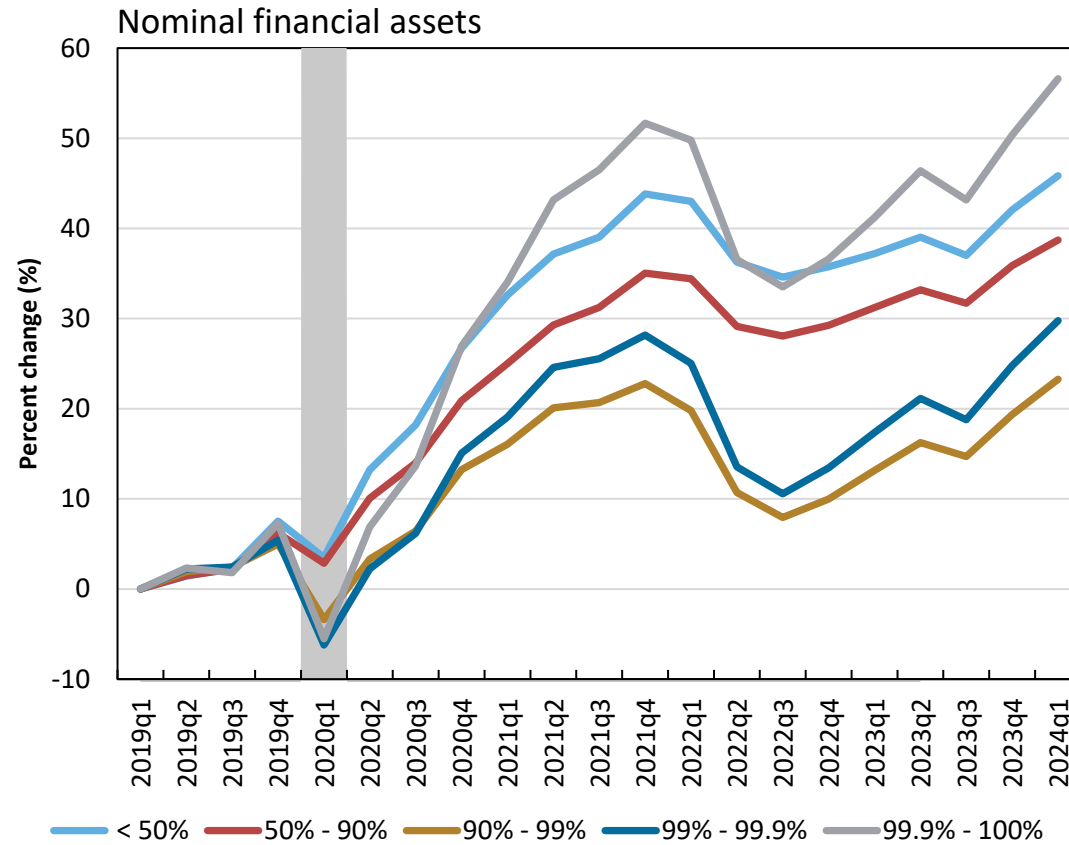
Composition of Total Assets by Wealth Percentile



Source: Distributional Financial Accounts via Federal Reserve.

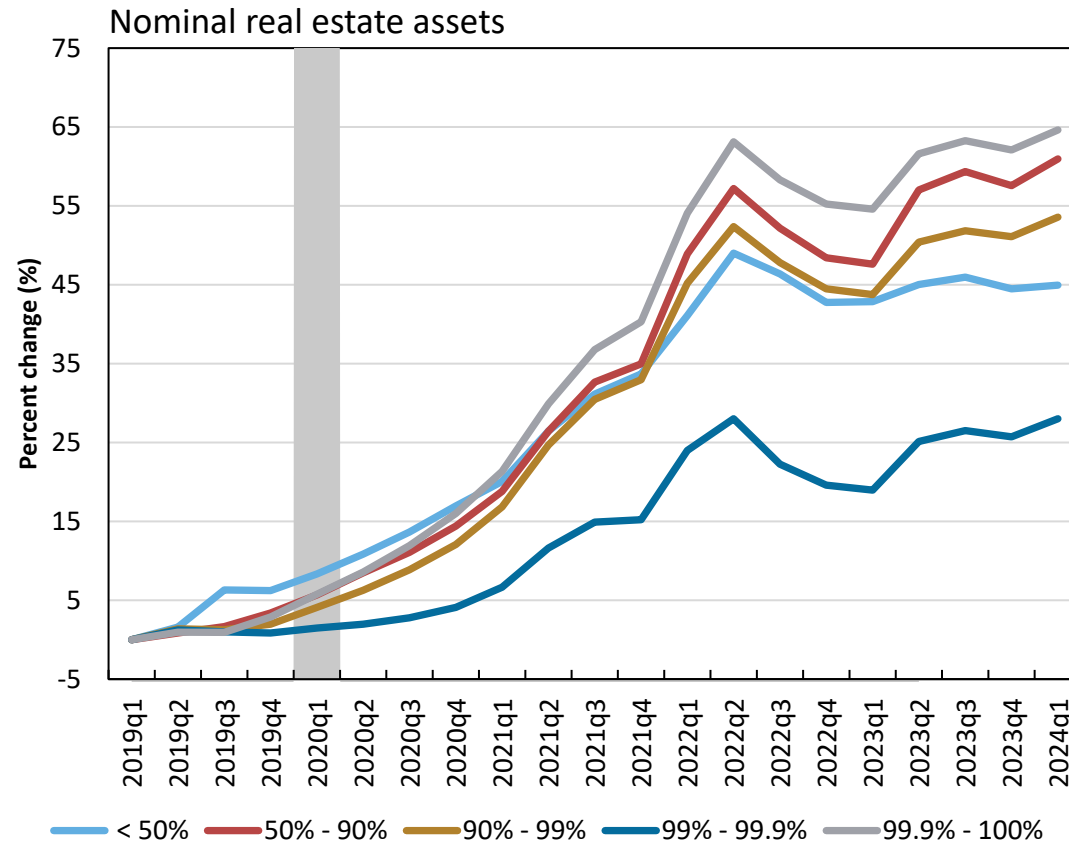
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Financial Assets per Household by Wealth Percentile



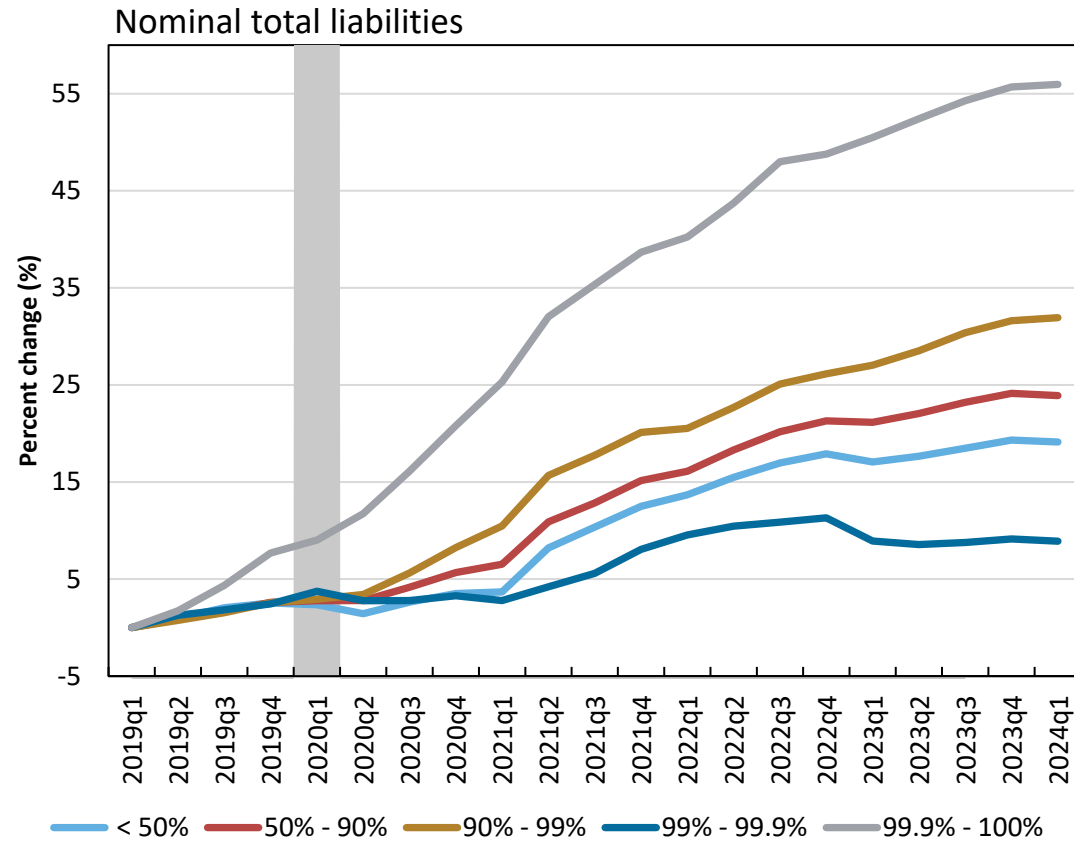
Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations. Note: Shaded region indicates the COVID-19 recession.

Real Estate Assets per Household by Wealth Percentile



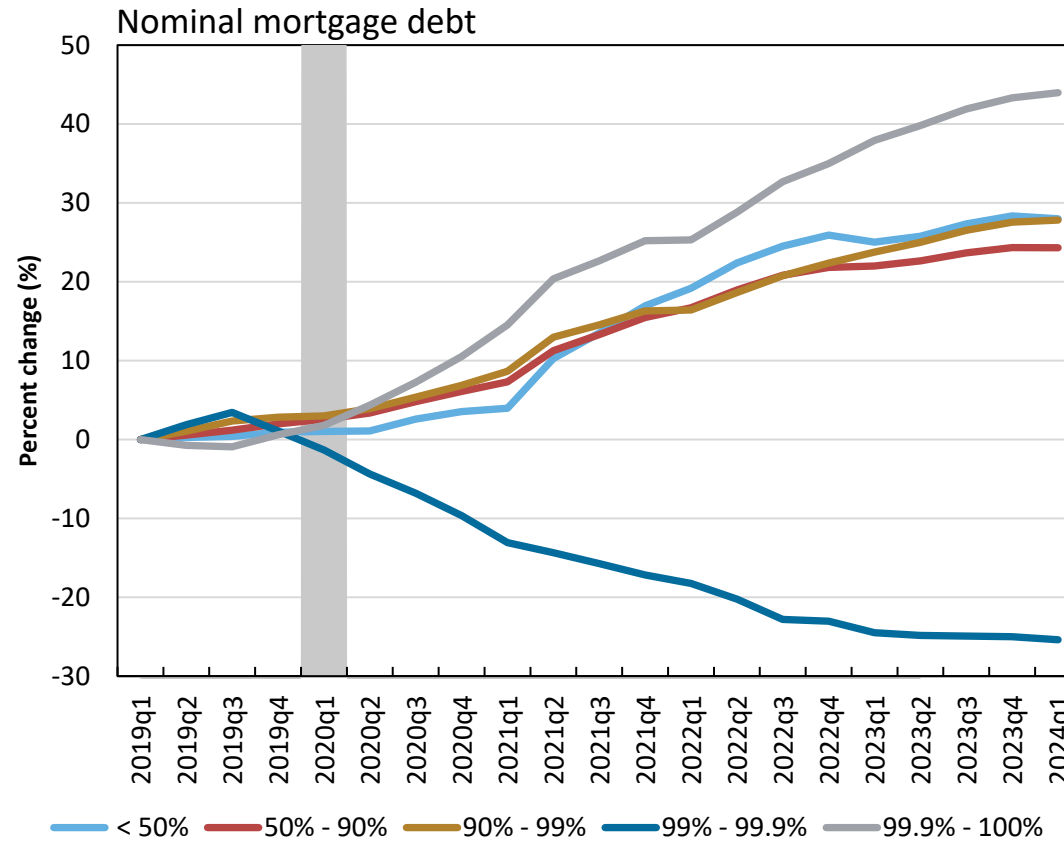
Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations. Note: Shaded region indicates the COVID-19 recession.

Total Liabilities per Household by Wealth Percentile



Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations. Note: Shaded region indicates the COVID-19 recession.

Mortgage Debt per Household by Wealth Percentile



Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations. Note: Shaded region indicates the COVID-19 recession.